

DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY NEWS BRIEFING

OW201020 Beijing XINHUA in English 1010 GMT 20 Aug 86

["Soviet First Vice-Chairman of Ministers' Council to Visit China -- XINHUA headline]

[Text] Beijing, August 20 (XINHUA) -- Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning commission of the Soviet Union, will visit China in the first half of September at the invitation of the Chinese Government. This was announced by a Foreign Ministry spokesman at a weekly news briefing here this afternoon.

In response to a question on the purpose of Talyzin's visit to China, the spokesman said it is a return visit to Chinese Vice-Premier Yao Yilin's visit to the Soviet Union last year. Talyzin is in charge of economic and planning work, so he will discuss relevant questions in this field with the Chinese side, the spokesman added.

On whether Soviet Vice-Minister of Foreign Affairs Mikhail Stepanovich Kapitsa will visit China and on the visit by Soviet First Vice-Chairman of the Council of Ministers Ivan Vasilyevich Arkhipov, the spokesman denied that Kapitsa would head a delegation to visit China. He said Arkhipov came to China in his own personal capacity for medical treatment and he met with Wan Li, Yao Yilin and Li Peng who went to call on him. They did not touch on political issues, the spokesman said.

When asked about whether Chinese Foreign Minister Wu Xueqian will attend the U.N. General Assembly this year and meet the Soviet foreign minister, the spokesman said Wu will attend the U.N. General Assembly and usually meet his counterparts from various countries during the meeting. So it is no doubt that he will meet with his Soviet counterpart during the meeting, he said.

Views Talyzin, Arkhipov Visits

HK200858 Hong Kong AFP in English 0849 GMT 20 Aug 86

[Text] Beijing, Aug 20 (AFP) -- Soviet First Vice-Premier Nikolay Talyzin will visit China during the first half of September for talks on improving Sino-Soviet economic relations, a Chinese Foreign Ministry spokesman confirmed Wednesday.

Spokesman Ma Yuzhen said Mr Talyzin would be returning a visit to Moscow which Chinese Vice-Premier Yao Yilin made in July 1985. The Soviet official is to mainly discuss bilateral economic cooperation and trade, Mr Ma said. Mr Talyzin, chairman of the Soviet Planning Commission, is said to be close to Soviet leader Mikhail Gorbachev.

In another development, Mr Ma confirmed that another Soviet first vice-premier Ivan Arkhipov, had met three Chinese counterparts since he arrived here July 27 on a private visit for acupuncture treatment of a nervous condition. But Mr Arkhipov did not take up political topics with Wan Li, Li Peng and Mr Yao, the Chinese spokesman said.

Mr Arkhipov, 78, was still in China and being treated for very serious facial pain, Mr Ma said, without specifying when he would be returning to the Soviet Union.

The spokesman made no reference to a meeting between Mr Arkhipov and a fourth Chinese vice-premier, Qiao Shi, which Western diplomats said took place.

Reacting to Monday's announcement by Mr Gorbachev that the Soviet Union would extend until January 1 its moratorium on nuclear testing, Mr Ma said the issue was not a "completely isolated" matter.

He reaffirmed China's longstanding policy that the United States and the Soviet Union should both end the testing, production and deployment of nuclear weapons and significantly reduce their existing arsenals.

China detonated its first atomic bomb in 1964 and has since conducted about 30 nuclear tests. Last spring it announced that it would no longer stage atmospheric tests.

Mr Ma also said there were no obstacles to prevent a meeting between Foreign Minister Wu Xueqian and his Soviet counterpart Eduard Shevardnadze when the U.N. General Assembly meets in New York this autumn. The two men met on the same occasion last year.

Comments on Asian Games

OW201024 Beijing XINHUA in English 1018 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- China's participation in the forthcoming Asian Games to be held in Seoul does not indicate any change in China's position on South Korea.

A Foreign Ministry spokesman said this when responding to a question at the weekly news briefing here this afternoon. The spokesman said as a full member of the Olympic council of Asia, the Chinese Olympic Committee should fulfill its obligations and support activities held by the Olympic Council of Asia, including the Asian Games which is held every four years.

On USSR's Nuclear Moratorium

OW201044 Beijing XINHUA in English 1041 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- For an effective nuclear disarmament the two biggest nuclear powers should take the lead in stopping testing, producing and deploying nuclear weapons and greatly reducing their nuclear weapons, a Foreign Ministry spokesman said here today.

The spokesman made the remark at today's weekly news briefing when asked about China's comment on the Soviet Union's extension of its moratorium on nuclear testing announced recently by Mikhail Gorbachev.

The nuclear testing is not a totally isolated matter, the spokesman said, China hopes that the Soviet Union and the United States would hold talks on nuclear disarmament in earnest and reach an agreement that will truly benefit world peace and not harm the interests of other countries.

On Indochina Ministers' Communique

OW200944 Beijing XINHUA in English 0937 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- The communique of the recent Hanoi conference of the three Indochinese foreign ministers showed the Vietnamese authorities still lack the sincerity for a settlement of the Kampuchea question, a Chinese Foreign Ministry spokesman said here today. The spokesman made this remark when asked about China's comment on the communique at a weekly news briefing this afternoon.

"We've just read the whole text of that communique. Our first impression is that with regard to the Kampuchea question which most people are concerned about, the communique has only repeated what had been said before and has nothing new in content," he said.

While commenting on the Vietnamese side's declared "readiness to enter into negotiations anywhere with China at any level," the spokesman said "We've repeatedly stated that the fundamental obstacle to the normalization of Sino-Vietnamese relations is Vietnam's invasion and occupation of Kampuchea. So long as Vietnam refuses to give up its invasion and occupation of Kampuchea and withdraw all its aggressor troops from Kampuchea, there is no point in holding talks."

If the Vietnamese authorities genuinely desire for the normalization of relations between China and Vietnam, the spokesman said, they should consider in earnest the eight-point proposal put forward by the Coalition Government of Democratic Kampuchea for a political settlement of the Kampuchean question so that a fair and reasonable settlement of the Kampuchean question can be reached at an early date.

Referring to a question on China's attitude to the statement in the communique that Laos is ready at all times to normalize its relations with China, the spokesman said the Chinese Government and people highly treasure the traditional friendship between the peoples of China and the Laos, and have always stood for an early normalization of relations between the two countries and made unremitting efforts to this end. "We welcome the proposal put forward by the Lao Government for the normalization of the relations between the two countries on the basis of the five principles of peaceful coexistence," he said. "We hope that with the joint efforts of both sides, the friendly relations and cooperation between the two countries will be restored and developed at an early date," the spokesman said.

Hungary's Faluvegi To Visit

OW200750 Beijing XINHUA in English 0739 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Lajos Faluvegi, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary, arrives here tomorrow for an 11-day visit to China at the invitation of Song Ping, Chinese state councillor and minister in charge of the state planning commission.

This was announced by a spokesman of the Chinese Foreign Ministry here this afternoon at the weekly news briefing.

The spokesman said, during the visit the two sides will exchange views on the economic situation, planning administration and economic and technological cooperation between the two countries and explore the possibility of further cooperation.

U.S. REJECTS SOVIET PROPOSAL ON NUCLEAR TEST BAN

OW182340 Beijing XINHUA in English 2332 GMT 18 Aug 86

[Text] Washington, August 18 (XINHUA) -- Washington today reacted to the Soviet extension of a unilateral nuclear testing moratorium by reiterating its long-held position that a moratorium is not in the security interests of the United States.

State Department spokesman Charles Redman said that the extension of the moratorium on nuclear testing "is an issue for the Soviet Union to decide." "As far as the United States is concerned, we believe that a nuclear testing moratorium is not in our security interests, nor that of our friends and allies," he stated.

Speaking on Soviet national television and radio today, Soviet leader Mikhail Gorbachev announced a decision to prolong the unilateral nuclear testing moratorium, which began a year ago and expired on August 6, until January 1, 1987. He also challenged U.S. President Ronald Reagan to sign a treaty banning all nuclear tests at a proposed U.S.-Soviet summit meeting sometime later this year.

This is the third time the Soviet Union extended its unilateral moratorium and the fourth time the United States refused to follow suit.

Washington cited difficulties in verifying compliance as the main reason for its refusal to join the Soviet moratorium, but officials of the Reagan administration said the real reason is that the U.S. needs some nuclear tests in developing Reagan's space-based missile defense system, commonly known as "star wars."

WANG ZHEN MEETS AMERICAN OPERA SINGERS

OW190710 Beijing XINHUA in English 0703 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- Wang Zhen, honorary president of the China Association for International Friendly Contacts, met with opera singers from the Metropolitan Opera House of the United States at noon today. He also attended a reception given in honor of the U.S. opera singers in the Great Hall of the People today.

SHANGHAI MAYOR MEETS CALIFORNIA DELEGATION

OW190824 Shanghai City Service in Mandarin 0000 GMT 19 Aug 86

[Text] The 72-member California medical science delegation from the United States, headed by Professor Gu Yanshi of the University of California, visited Shanghai from 15 to 17 August.

On the evening of 16 August, Jiang Zemin, mayor of Shanghai and chairman of its friendship association, and Liu Zhenyuan, vice mayor of Shanghai, met and held cordial talks with all members of the delegation.

Wang Daohan, adviser to the Shanghai Municipal Government, left Shanghai yesterday for a friendly visit to San Francisco at the invitation of John (Moritani), speaker of the San Francisco Assembly. Vice Mayor Liu Zhenyuan and others were at the airport to see him off.

NO CHANGE IN SOVIET 'EXPANSIONIST POLICY' SEEN

HK190159 Hong Kong WEN WEI PO in Chinese 19 Aug 86 p 2

[Editorial: "Gorbachev's Far East Policy"]

[Text] The travel-worn Gorbachev arrived in Vladivostok in the Far East at the end of July, where he delivered a major policy speech. What in fact was his scheme?

Some people say that the focus of Gorbachev's eastern trip was on developing relations with China and playing the "China card" as an extra bargaining counter with the United States. This view cannot be said to be without basis.

However, in choosing Vladivostok as the site for his Far East policy speech, Gorbachev was aiming not just at China but also at the United States, Japan, and Southeast Asia. Vladivostok is the Soviet Union's most easterly naval base; it is a major strategic base menacing the Asia-Pacific region. Gorbachev made a particular point of reviewing the Far East Fleet before delivering his speech. Afterwards he gave this Far East "peace offensive" speech, whose contents could be described as a mixture of hard and soft talk and bellicose and peaceful words.

This "peace offensive" speech was by no means devoid of new meaning. Regarding the United States, he criticized the iron military triangle of the United States, Japan, and South Korea, opposed the militarization of the Asia-Pacific region, and proposed forming in the region "a process of international security and mutual peaceful cooperation." The Soviet Union copied its method of making eyes at the U.S. Western European allies and opened up a new theater in the Asia-Pacific region by launching a peace offensive embracing Japan, Australia, New Zealand, and the five [as published] ASEAN states.

This "peace offensive" is supplemented by economic cooperation. The Soviet Union is preparing for large-scale economic development of its Far East region to fit in with the economic take-off of the Asia-Pacific region in the next 10 years. During his inspection of Vladivostok, Gorbachev pointed to previous "policy mistakes" for which "a tremendous price has been paid," and declared that "now is the time for a fundamental start in developing the Far East." Gorbachev hopes for economic cooperation with Japan and looks to the establishment of joint ventures. He also hopes to do plenty of business with China, Australia, and ASEAN.

The intention to withdraw forces from the Sino-Mongolian border and Afghanistan revealed by Gorbachev is also a bid to establish a new image in the outside world. Its role as peace propaganda is greater than practical action. However, the real Soviet motive is to break the deadlock and promote a dialogue. The United States and the countries of Asia are currently taking advantage of Gorbachev's stance to force the Soviet Union to draw up a timetable for total withdrawal from Afghanistan and to stop supporting Vietnamese aggression against Cambodia. If the Soviet Union lacks the slightest sincerity, its peace propaganda will go totally bankrupt. In the future the countries of Asia would not then need to take any notice of the Vladivostok speech, and still less could there be any talk of improving relations.

If dialogue is indeed beneficial for peace and development in Asia, the countries of the region should welcome the Soviet Union's readjusted Far East policy. After all, dialogue is better than confrontation for promoting stability in the Asia-Pacific region.

Taking a general view, the Soviet Union has still not revised its expansionist policy; it still covets the Korean port of Wonsan and seeks to occupy and use Cam Ranh Bay in Vietnam. Its domestic reforms and economic construction have been hampered and impeded by the expansionist policy. Gorbachev appears to be still unable to resolve the problem of hindrance by hardliners in the armed forces. His Vladivostok speech also had an internal role to play, on the one hand to reassure the hardliners and on the other to stretch out the olive branch with great caution, by retreating in some areas and maintaining the status quo in others, to test people's reactions.

Gorbachev's Vladivostok speech also had a global strategy intention: The Soviet Union is trying to reduce direct confrontation with the United States in the next 10 years and to speed up more in developing its economy; it wants to create differences between the United States and the Asia-Pacific countries and to maintain strategic parity. There is no change in the situation of Soviet-U.S. rivalry in Asia, but the forms of that rivalry are more complex and changeable. A situation of multipolar trends and pluralistic diplomacy will emerge.

SOVIET MAGAZINE'S ANTI-CHINA ARTICLE CITED

HK200455 Hong Kong WEN WEI PO in Chinese 18 Aug 86 p 2

[Report: "After Gorbachev's Speech in Vladivostok, Soviet Magazine Still Carries Anti-China Article"]

[Text] Moscow -- Issue No 11 of the Soviet magazine KOMMUNIST (published on 6 August) carries an article by Heng Samrin, prime minister of the Cambodian puppet regime, which directly attacks China.

The article says: "The historic victory of 7 January 1979 smashed the schemes and intrigues of the Beijing ruling clique, which attempted to turn Cambodia into a base for realizing its hegemonist and expansionist ambitions on the Indochina peninsula and in Southeast Asia." "People are disappointed to see that China is pursuing an unfriendly policy toward Cambodia and other Southeast Asian countries and is trying to exert influence on the situation in this region." This article was published in an organ of the CPSU after Gorbachev's recent proposal to improve relations with China.

SINO-SOVIET BORDER RAILWAY MEETING ENDS

SK200528 Harbin HEILONGJIANG RIBAO in Chinese 3 Aug 86 p 1

[Text] The 1986 annual meeting of the Sino-Soviet Border Railway Joint Committee ended on 29 July after a 7-day session.

The Chinese and Soviet railway delegations summed up the fulfillment of the international coordinated transport task of the past year and the first half of this year. Members of the delegations unanimously maintained that both the Chinese and Soviet sides have made positive contributions. To fulfill the 1986 plan on the increased volume of goods to be transported through the international coordinated transport service, both sides discussed on the issues of improving transport organizations, and the handing over and the transshipment of goods, and signed a new protocol. Hua Maokun, head of the Chinese railway delegation and director of the Harbin Railway Bureau, and Ivanov, head of the Soviet railway delegation and director of the Far East Railway Bureau, signed the protocol. The Soviet delegation left Harbin for home on 29 July.

'KOREAN-CHINESE SIDE' PROTESTS DMZ FIRING

OW200732 Beijing XINHUA in English 0721 GMT 20 Aug 86

["Shooting Across Korean Demarcation Line Protested by Northern Side" -- XINHUA headline]

[Text] Pyongyang, August 20 (XINHUA) -- South Korean soldiers last night fired more than 300 large-calibre machinegun bullets in the area of the mouth of the river Imjin at the western end of the military demarcation line between the North and the South of Korea, according to the KOREAN CENTRAL NEWS AGENCY (KCNA).

The South Korean side has carried out five such "armed provocations" since the beginning of the month, seriously threatening the safety of policemen of the Democratic People's Republic of Korea (DPRK), the agency said.

Yi Tae-ho, major-general and senior member of Korean-Chinese side of the Korean Military Armistice Commission, has shown grave concern over the latest incident in a protest to the United States and the South Korean side, the agency reported.

DPRK GROUP CRITICIZES U.S., SOUTH KOREA

OW191340 Beijing Domestic Service in Mandarin 1100 GMT 18 Aug 86

[Text] According to a XINHUA dispatch from Pyongyang, the Secretariat of the Committee for Peaceful Reunification of the Fatherland in Korea issued a memorandum on 17 August accusing the U.S.-South Korean authorities of aggravating tension and creating the danger of a war on the Korean peninsula. The memorandum pointed out that since the signing of the Korean Armistice Agreement, there have been more than 444,000 incidents in violation of the agreement by the United States and South Korea, and since 1989, the number of such incidents has averaged some 20,000 a year. On 5 and 9 August this year, the memorandum said, South Korean soldiers committed premeditated military provocations by shooting at outposts in the North with large-caliber machineguns and automatic rifles.

The representatives of the Korean-Chinese side of the Korean Military Armistice Commission has, on many occasions since July 1985, proposed that heavy and automatic weapons be removed and all military installations and outposts dismantled from the area of the commission's headquarters, and the number of guards posted there be reduced. No agreement has been reached, however. The memorandum stressed that the U.S.-South Korean authorities must put an end to their military provocations and give an immediate response to this proposal.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

KOREAN RED CROSS SENDS SYMPATHY MESSAGE TO JILIN

SK170241 Changchun Jilin Provincial Service in Mandarin 0930 GMT 16 Aug 86

[Text] Today the provincial Red Cross Society received a letter dated 5 August, transmitted by the Red Cross Society of China, from the Red Cross Society of Korea expressing sympathy for our province's flood disasters.

The full text of the letter reads as follows:

The Red Cross Society of China:

We have learned that Jilin Province has suffered great losses due to serious floods. The Red Cross Society of Korea hopes that the Red Cross Society of China will convey our cordial regards to the people in the disaster-stricken areas. We hope that Jilin Province will restore the losses caused by the flood disasters as soon as possible and the people will be able to live a normal life sooner.

WANG ZHEN MEETS JAPANESE GOVERNOR NAKAGAWA

OW190800 Beijing XINHUA in English 0752 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met with Heidayu Nakagawa, governor of Fukui Prefecture, Japan, and his party here this afternoon. Nakagawa is here leading a visiting youth friendship delegation from Kinki area, which arrived in Tianjin yesterday by sea. The delegation, comprising more than 500 members, will travel in seven groups to Xian, Inner Mongolia, Wuhan, Nanchang, Hangzhou, Nanjing and other places of China.

WANG ZHEN MEETS JAPANESE AMITY GROUP 19 AUG

OW191214 Beijing XINHUA in English 1149 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here today Isao Masamune, president of the Japan-China (Northeast) Development Association, and his party. The Japan-China (Northeast) Development Association was founded by Japanese businessmen and entrepreneurs to promote economic and technical exchanges between Japan and northeast China.

RENMIN RIBAO ON INDOCHINESE MINISTERS' MEETING

OW201032 Beijing XINHUA in English 1006 GMT 20 Aug 86

["PEOPLE'S DAILY Lashes Out at Vietnam's 'Inreversible' Situation in Kampuchea" -- XINHUA headline]

[Text] Beijing, August 20 (XINHUA) -- Vietnam's claim on its "inreversible" situation in Kampuchea is simply an attempt to justify its continued military occupation of Kampuchea and its support for the Heng Samrin regime, a commentary in China's "PEOPLE DAILY" said today.

At the two-day 13th foreign ministerial meeting of Laos, Vietnam and the Heng Samrin regime that ended in Hanoi Monday, Vietnamese Foreign Minister Nguyen Co Thach spoke at length about stability and peace in Southeast Asia, but offered no change in Vietnam's policy on Kampuchea, the commentary said.

Eight years have passed since Vietnamese troops invaded Kampuchea. In Kampuchea, this is eight years of colonial rule the Vietnamese authorities have imposed on the Kampuchean people. Now that war flame is still burning in that country, farm land is devastated and massive resettlement of the Vietnamese and numerous Kampuchean war refugees have fled their homeland. [sentence as received] The acts of aggression in Kampuchea by the Vietnamese authorities have brought about great sufferings to the Kampuchean people, and posed grave threat to peace and stability of the countries in Southeast Asia. In facing of these facts, how could Vietnam have the right to talk about consolidating peace and stability in Southeast Asia or revitalizing and developing the situation in Kampuchea.

PEOPLE'S DAILY said the Kampuchean problem should be handled by the Kampucheans themselves. It called the eight-point peace proposals put forward by the Coalition Government of Democratic Kampuchea (CGDK) in March both reasonable and flexible, which can lead to a fair and peaceful settlement of the Kampuchean problem and which is truly helpful in promoting peace and stability in the Southeast Asian region.

The CGDK proposals calls for a two-stage withdrawal of Vietnamese troops from Kampuchea, the establishment of a four-party caretaker government, including the three resistance groups of the CGDK and the Heng Samrin faction, and U.N. -supervised elections. The proposal has the support of most nations of the world, the paper said, but was immediately rejected by Vietnam. The commentary labeled this rejection a "miscalculation" on the part of Vietnam.

The article said that the continued occupation of Kampuchea has created great difficulties for Vietnam both at home and abroad and has only strengthened the CGDK resistance forces, which are more united than ever before and operating far inside the country. Base camps of the Kampuchean resistance forces along the Thai border were overrun by Vietnamese forces during the dry season offensive of 1984-85. Since then, however, greater numbers of guerrillas have penetrated deep inside the country, moving the war into a new phase. Troubled by mass desertions from its army, the Hanoi-backed Heng Samrin regime is in a awkward position, the paper continued. The paper pointed out that the current situation in Kampuchea is developing towards the direction in favor of the Kampuchean patriotic forces but not of the Vietnamese aggressors. This is an irresistible trend, it concluded.

AGRICULTURE MINISTER VISITS THE NETHERLANDS

AU200901 Paris AFP in English 0856 GMT 20 Aug 86

[Text] The Hague, Aug 20 (AFP) -- Chinese Agriculture Minister He Kang is here on an eight-day visit at the invitation of his Dutch counterpart Gerrit Braks, the Agriculture Ministry announced Wednesday. Mr. He arrived Monday and is due to sign an accord with Dutch Foreign Minister Hans van den Broek before his departure next Tuesday. Mr. He's schedule includes visits to a brewery, unilever factory, and various agricultural enterprises.

XINHUA, PIO SIGN JOURNALISTIC COOPERATION ACCORD

OW191116 Beijing XINHUA in English 0930 GMT 19 Aug 86

[Text] Beijing, August 9 (XINHUA) -- An agreement on journalistic cooperation between the XINHUA NEWS AGENCY and the Press and Information Office (PIO) of Cyprus was signed here this afternoon.

According to the agreement, the two sides will exchange feature articles and news photos free of charge and on a regular basis, give easy access to the work of the correspondents and press delegations of the other side and encourage the exchange of visits by journalists and press officials of the two countries.

Pang Bingan, deputy director-general of XINHUA, and Kypros Psyllidhis, director of PIO, signed the agreement on behalf of their respective press organizations.

HU YAOBANG MEETS FRG AMITY GROUP PRESIDENT

OW181146 Beijing XINHUA in English 1124 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- China hopes to have long-term all-round cooperation with Federal Germany, Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, said here today.

At a meeting with Thomas Heberer, president of the Association for German-Chinese Friendship of Federal Germany, Hu expressed thanks for the help the Federal German Government and public have given to China in economic development.

He hoped that economic and scientific and technological exchange be strengthened between the two countries.

The general secretary also answered his guest's questions in China's economic and political system restructuring and other matters.'

CSSR MINISTER INTERVIEWED BEFORE LEAVING FOR PRC

OW191416 Beijing XINHUA in English 1410 GMT 19 Aug 86

[Text] Prague, August 19 (XINHUA) -- Czechoslovak Minister of Metallurgy and Heavy Engineering Eduard Saul left Prague today for China on an official visit.

In an interview with XINHUA before his departure, Saul said he hoped that his first visit to China would further strengthen cooperation between the two countries in the metallurgical and engineering industries and promote the development of bilateral friendly relations.

Saul, 57, a machine-cutting expert, was appointed engineering minister in 1981.

GU XIULIAN, BULGARIAN VICE PREMIER SIGN ACCORD

OW160614 Beijing XINHUA in English 0542 GMT 16 Aug 86

[Text] Sofia, August 15 (XINHUA) -- China's only female provincial governor, Gu Xiulian, today signed a document with Bulgarian Vice Premier Ognyan Doynov on economic cooperation between her province of Jiangsu and Bulgaria.

Governor Gu, who is heading a delegation for an 11-day visit to this country, was received by Bulgarian head of state Todor Zhivkov and held talks with Bulgarian Premier Georgi Atanasov shortly after her arrival last Friday.

Zhivkov told Gu during the reception that he was looking forward to a closer relationship with China.

Under the document named "Minutes on Talks" which was signed this afternoon, enterprises in Bulgaria and Jiangsu Province will cooperate in the production of telecommunications equipment and computer keyboards.

The document stipulates that a joint working group will be set up soon to promote bilateral economic and trade ties. The group will meet at least once a year and is expected to hold its first meeting in Nanjing, the provincial capital of Jiangsu, at the end of this year.

During her stay in Bulgaria, the governor visited an electronics factory, a computer manufacturing factory, a motor plant, a machine tool plant, a shipyard, a tin plant, a large greenhouse and other industrial and agricultural enterprises.

SENIOR ENGINEER DISCUSSES CHINESE NUCLEAR SAFETY

HK190145 Hong Kong WEN WEI PO in Chinese 15 Aug 86 p 2

["Special Dispatch" from Vienna by reporter Huang Hsi-hao: "China's Senior Engineer Ren Changping Interviewed on Safety of Nuclear Power"]

[Text] In an interview with this reporter, Ren Changping, a senior engineer of the State Nuclear Safety Administration, pointed out: Before China started building nuclear power stations, it paid much attention to nuclear safety. It has so far issued a series of "safety rules" and "safety regulations regarding nuclear installations" in accordance with world standards so as to exercise necessary and strict supervision over its nuclear power stations. Moreover, it often sends personnel to countries that are advanced in nuclear technology to seek experience in an effort to raise the level of our nuclear technology and safety.

Ren Changping is now in Vienna to participate in the "meeting for drafting an international nuclear safety agreement," organized by the International Atomic Energy Agency. Present at the meeting are experts from 56 nations and 9 international organizations. Ren Changping is from the 5-member Chinese delegation.

He pointed out: As early as in the 1950's, China started engaging in nuclear research. In 1958, it built a nuclear reactor in the vicinity of Beijing for technical research. In the 1960's, nuclear reactors for military use were put into operation. China has now accumulated vast experience in nuclear industry. Besides its own nuclear bases, it has a strong nuclear technical force and extensive experience in this field.

Ren Changping said: In October 1984, China set up the State Nuclear Safety Administration to guarantee and supervise its land from becoming nuclear-polluted. Well before the establishment of the administration, it planned nuclear safety measures. The establishment of the administration is a more concrete measure for nuclear safety. With the help of the strong nuclear technical force of the country's nuclear research and design institutes, the safety of nuclear power plants can be guaranteed.

Ren Changping disclosed: In order to perfect its rules and regulations for nuclear safety, China has studied the relevant rules and regulations of other countries and the International Atomic Energy Agency. In light of its own experiences, the government this year issued some "safety rules," which have been approved by the State Council. Before these rules were issued, China invited experts from the International Atomic Energy Agency and from the United States, Turkey and other countries to give their views on them.

Ren Changping also pointed out: In recent years, the State Nuclear Safety Administration repeatedly dispatched its personnel to West Germany, the United States, France and other countries with advanced nuclear technology to learn how they assess and examine the safety of nuclear power stations. It will also send a large number of backup technical personnel to other countries to study nuclear safety. Meanwhile, those who will be sent to France for training should first learn how to operate nuclear power stations. Before they are assigned to work at the Daya Bay nuclear power station they should pass a tough examination. [paragraph continues]

Even when they are qualified to work there, the State Nuclear Safety Administration will organize periodic examinations for them so that they will be able to gain new insights through restudying old materials and to enhance their technical level. Ren Changping said: With such a strict training system; it is believed that the Daya Bay nuclear power station will not be confronted with problems.

DAYA BAY TO APPLY VOLUNTARY IAEA SAFEGUARDS

OW191543 Beijing XINHUA in English 1530 GMT 19 Aug 96

["China To Offer Nuclear Power Station to International Atomic Energy Agency for Safety Safeguard" -- XINHUA headline]

[Text] Beijing, August 19 (XINHUA) -- China intends to offer its Daya Bay Nuclear Power Station being built in Guangdong Province to the International Atomic Energy Agency [IAEA] for safety safeguard. This was disclosed by Vice-Minister Zhou Ping of nuclear industry while meeting a delegation from the agency this evening. He also hosted a dinner in honor of the delegation, which arrived here yesterday for talks with the Chinese Government on the signing of an agreement on the voluntary offering of the nuclear power station to the agency for safety safeguard.

The vice-minister expressed satisfaction over the cooperation between China and the agency in work related to nuclear safety, such as drawing up safety standards, conducting safety appraisal and analysis and training of safety specialists.

SHANGHAI PAPER PRINTS CARICATURES OF DENG, HU

HK170400 Hong Kong SUNDAY MORNING POST in English 17 Aug 86 p 3

[Text] Caricatures of Chinese leaders Deng Xiaoping and Hu Yaobang have surprised the readers of two major newspapers in Shanghai.

This is the first time political figures have been depicted in cartoon form in the press in China since the Communist takeover in 1949.

Mr Deng appeared as a bridge player in a sketch entitled "The China Card" by young artist Zhang Weiping.

Holding a card bearing the words "Chinese-style modernisation," the political strongman looked thoughtful and in control, said the domestic CHINA NEWS SERVICE.

Party Secretary Hu Yaobang was depicted as a lively and compassionate conductor in veteran artist Ke Da's sketch titled "Comrade Yaobang conducting our new song."

Both caricatures appeared in the LIBERATION DAILY, which has a circulation of one million, and on the front page of a newspaper on Shanghai cultural affairs which also carried an editorial about caricatures.

The two works also went on display in a cartoon competition in Shanghai yesterday.

Observers in Shanghai art circles said the caricatures represented a break from tradition. Since 1949 no public figures have been depicted in cartoons.

HU YAOBANG ON LIFE OF DECEASED CPC LEADER

HK190139 Beijing RENMIN RIBAO in Chinese 15 Aug 86 p 4

[Article by Hu Yaobang: "In Deep Memory of Comrade Wang Jiaxiang"]

[Text] Editor's Note: This article is a preface, written by Comrade Hu Yaobang, to a book entitled "In Memory of Wang Jiaxiang," which was published by the People's Publishing House last year. The 15th of August of this year is the 80th birthday of Comrade Wang Jiaxiang. In order to commemorate Comrade Wang Jiaxiang and to learn from his revolutionary spirit, we publish the article here with the approval of the author. [end editor's note]

Shortly after the collapse of the "gang of four," a comrade asked me: Will you write an article in memory of Comrade Wang Jiaxiang? I answered: I will. However, I have so far failed to write it. In March this year, when Anhui was making preparations for publishing a collection of articles in memory of Comrade Wang Jiaxiang, Comrade Zhu Zhongli said to me: Since your position now is quite different from your previous positions and you are a busy man, just write a short inscription. I said: No! I will write an article.

I cherish a particularly deep memory of Comrade Jiaxiang in my mind not just because I worked directly under him and learned much from him between 1939 and 1944. What is even more important is that in a critical historical period, he made glorious contributions to the party. In my opinion, our comrades, the young ones in particular, should learn from his life, and his revolutionary character.

Comrade Jiaxiang joined the revolution in 1925. He was then a secondary school student about 18 or 19 years old. Shortly after that, the party sent him to Moscow to study. He returned to China in 1930. In those 5 years, as a diligent student, he acquired much knowledge about Marxism-Leninism. However, because of his separation from the actual struggle in China, it was quite impossible for him to integrate various theories of revolution with the actual revolutionary practice in the country. At that time, Wang Ming made his 'leftist' dogmatic mistakes in Moscow. It is a pity that Comrade Jiaxiang was also involved in these mistakes.

In the summer of 1931, along with Comrade Ren Bishi and Gu Zuolin, Comrade Jiaxiang was assigned to the central revolutionary base. Shortly after that, he was appointed director of the Red Army's General Political Department, an important post. In this critical period of his life, he was good at mastering himself and was able to gradually shake off the "leftist" dogmatic mistakes. [paragraph continues]

He tried his best to approach Comrade Mao Zedong and modestly listened to Comrade Mao Zedong's ideas about the Chinese revolution. He was particularly impressed by Comrade Mao Zedong's rich experience in armed struggles. He diligently studied Comrade Mao Zedong's military theories and admired Comrade Mao Zedong's superb ability to direct military operations. At that time, thanks to Comrade Mao Zedong's positive influence on him and to his own ability to think independently, he was quickly becoming a mature Marxist-Leninist with a brand new outlook. Thus, when Comrade Mao Zedong was relieved of his military command in 1932 as a result of the adoption of an erroneous line, he was one of those who were actively against the decision. One can say that he dissociated himself from Wang Ming's line at that point.

After Comrade Mao Zedong was relieved of his command, Comrade Jiaxiang did not keep him at a distance. As a result, their revolutionary friendship grew. Shortly after the beginning of the Long March, Comrade Mao Zedong unflaggingly tried to persuade many central leading comrades alter the erroneous military line. Comrade Jiaxiang then unswervingly endorsed Comrade Mao Zedong's correct line and did much to help him lobby. At the Zunyi Conference, which was to bring about an important turn in the Chinese Revolution, he played an important role. When the Zunyi Conference was over, he and Comrade Zhou Enlai were two of the three members on the Central Military Committee helping comrade Mao Zedong command the whole army and engineer the Red Army's victorious strategic move.

In early 1937, the central authorities sent Comrade Jiaxiang to the Comintern to report to its leaders on the situation of the Chinese Revolution and on his personal opinions of the Chinese party leaders. Comrade Dimitrov endorsed without reservation our party's political views and policies and unambiguously stated that our party should have a central leadership core with Comrade Mao Zedong as its head. In 1938, Comrade Jiaxiang returned to China to relay the Comintern's correct opinion. This contributed much to our party's solidarity and unity.

For some time after 1938, Comrade Jiaxiang was a member of the party's central leadership core and he continued to be the director of the general political department. At the same time, as chairman of the North China and Central China Working Committees, he made many suggestions and helped Comrade Mao Zedong do much regarding the party, the Army, and the anti-Japanese bases. In addition, he drafted, or helped people draft, many documents on various policies. In the summer of 1943, in spite of his ill health, he wrote an article entitled "The CPC and the Road of China's National Liberation" to mark the 22d anniversary of the party's founding and the 6th year of the war against Japan. In this article, he tentatively discussed Mao Zedong thought. He was the first member of our party to formally introduce the scientific concept of "Mao Zedong Thought."

In the fall of 1947, because of his serious stomach and intestinal troubles, Comrade Jiaxiang was unable to participate in the preparations for the historically significant Seventh CPC National Congress. At that time, many representatives did not know him. Thus, he was not elected a member of the Central Committee. Later, thanks to an explanation offered by Comrade Mao Zedong, he was elected an alternate member of the Central Committee.

In 1947, when his stomach and intestinal troubles were over, he energetically accepted his new assignment, as the director of the Urban Work Section of the Northeast China Bureau. After the founding of PRC, he became ambassador to the Soviet Union. Since his return to China in 1951, he had been responsible for the Central Committee's international activities.

In 1956, at the "Eighth CPC National Congress," he was elected a member of the Central Committee and secretary of the Central Committee's Secretariat. He remained at these two posts until the outbreak of the "Cultural Revolution" in 1966. How should we evaluate his contributions? For 20 years, he had always been hard working and had always done what he was told. I cannot say that he was good at whatever he did. However, I must say that whatever he did, he did it with great dedication. One can say that what he did was based on careful consideration and that his work was fruitful. He raised many original suggestions concerning the party's international activities. Although some of these suggestions were not accepted at the time they were raised, however, we can now see that they were definitely correct and objectively far-sighted suggestions. When Lin Biao, Kang Sheng, Jiang Qing, and their gang accused him of practicing "revisionism," they were just framing him.

Generally speaking, what Comrade Jiaxiang did in the second half of his life was no less than what he did in the first half of his life. In fact, what he did in the second half of his life made what he did in the first half of his life appear in an even better light. At a meeting to mark the 60th anniversary of the party's founding, the central authorities decided on a list of 38 outstanding leaders of the party since its founding. Comrade Jiaxiang was one them. He deserved it.

As an outstanding revolutionary, Comrade Jiaxiang had a unique character. He never showed off, nor did he speak to others about his life. Even those comrades who know him well are not certain about his great contributions to the party. He gave no thought to how others criticized him for his personal mistakes and for the mistakes in the work done under his leadership. Even if people spitefully misrepresented things and vilified him, he kept his mouth shut and remained tolerant. It may have seemed that he had a weak personality. However, he was strict about his own work and with the comrades under his leadership and he clearly distinguished between what is right and what is wrong. This shows that he had a strong character. Whether in favorable or unfavorable circumstances, he gave no thought to his personal interests, he carefully and diligently worked, and strictly observed party discipline. He rarely chatted with others. What he said was brief and to the point. Perhaps, his infrequent contact with other comrades was one of his failings. However, he spent nearly all his spare time reading books and materials and thinking. He valued his time and he was eager to learn. He was strict with himself and he earnestly practiced what he preached. Sometimes, people might find him too serious. However, all those who had worked under his leadership or who had worked with him admired his talent, his judgement, his courage to shoulder responsibilities, his uprightness, and his impartiality with comrades. Special mention should be made of the fact that he was good at conducting investigations, on major issues in particular. He formed his own judgements independently and he never parroted others. He disapproved the "leftist mistakes the party had made, particularly in handling people, since its founding. In addition, he did not chime in with others although there were people criticizing him for this. He respect for Comrade Mao Zedong and his thankfulness to him remained until he passed away. However, when Comrade Mao Zedong in his remaining years made some major mistakes and kept some bad guys in important positions for a long time, he disagreed with him. However, he felt helpless because he did not remonstrate. That could have been the most unendurable agony in his life. In agony and with a troubled mind, he left us.

I was in my sickbed the day Comrade Jiaxiang passed away. On hearing the news that he had passed away, I was filled with grief. [paragraph continues]

Four months earlier, thanks to Comrade Mao Zedong's personal influence, he was once again elected a member of the Central Committee at the party's 10th National Congress. However, the "gang of four" stubbornly regarded him as a right-winger and a surviving "antagonist." Thus, they tortured him spiritually. Several days before Comrade Jiexiang passed away, it was rumored among some comrades that I was suffering from cancer. Knowing that I was in a more difficult situation than he, he felt very unhappy on hearing the news. Breaking his promise that he would not leave his home again, he went to the hospital to see me in the company of Comrades Liao Chengzhi and Zhu Zhongli. Now, I can still recall clearly the scene then. I silently told myself that he had come with great courage to say farewell to me, a dying man. However, I did not expect that was our last meeting.

After Comrade Jiexiang passed away, with regret, Comrade Zhongli told me how he had passed away. She said that on the day before he passed away, they were aware that the "gang of four" was starting a movement to "criticize Lin and Confucius." As a politically sensitive man, Comrade Jiexiang knew that a new disaster that could destroy the party was approaching. He was worried, however, his health was apparently unaffected. Thus, after helping him go to bed, she returned to her own bedroom. The next day, when she tried to wake him up, she discovered that his body was as cold as ice.

Ten years have passed almost without being noticed since Comrade Jiexiang passed away. Now, I am writing this article to express my sadness about the death of an old revolutionary I have always respected and to indicate that, along with our comrades, I will inspire myself with the great spirit of thousands upon thousands of revolutionary pioneers.

RENMIN RIBAO CHERISHES MEMORY OF ARMY VETERAN

HK190823 Beijing RENMIN RIBAO in Chinese 10 Aug 86 p 5

[Article by Yang Dezhi and Hong Xuezhong: "Unshakable Faith, Militant Life -- Cherishing the Memory of Comrade Zhou Chunquan"]

[Excerpts] A year or more has elapsed since Zhou Chunquan, a long-tested fighter for communism and an outstanding general of our army, passed away. Chunquan was a veteran comrade who joined the party at the time of the Great Revolution in China. [passage omitted]

During the long revolutionary war years, Comrade Chunquan fought countless battles, braved untold dangers, and feared neither hardship, difficulty, nor sacrifice. He left an extremely deep impression on many veteran comrades and comrades-in-arms. [passage omitted]

During the recovery period of southern Liaoning in 1947, he vigorously implemented the related central instructions and contributed much to fully arousing the masses to carry out the campaign of reduction of rent and interest and land reform, restoring railroad transportation and factory production, establishing democratic regimes, and in expanding base areas. On the eve of the Liaoxi-Shengyang Campaign, in order to ensure victory, Comrade Chunquan who had just had an operation on his right eye, which had been hit by a shell fragment during the Long March and which was still swollen, immediately went to the Hebei-Chahar-Rehe-Liaoning Region to inspect and make arrangements for logistic supply work. [paragraph continues]

LIAOWANG ON NATIONAL SOFT SCIENCE FORUM

HK180339 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 32, 11 Aug 86 pp 6-7

[Article by LIAOWANG reporter: "The Chinese Leadership Stratum Attaches Major Importance to Making a Democratic and Scientific Process out of Policy-making"]

[Text] The State Scientific and Technological Commission held a national forum on research in soft sciences in Beijing from 27 to 31 July. On the closing day of the forum, Vice Premier of the State Council Wan Li delivered a speech entitled "Introduction of a Democratic and Scientific Policy-making Process Is an Important Aspect of the Reform of the Political Structure," attaching deeper significance to the efforts to speed up introduction of a democratic, scientific, and systematized policy-making process.

Draw a lesson from past experience, effect a change in the policy-making procedure

New China has been facing arduous tasks regarding economic construction since its founding. Due to unsound policy-making procedures, state leaders formulated policies based on their knowledge, experience, and wishes, and thus committed some major mistakes in the past. For example, the initiation of the "Great Leap Forward" was a wrong decision that caused inestimably heavy losses. The wrong policies pursued during the 10 years of the "Cultural Revolution" have brought formidable calamities to the country and the people and left a far-reaching pernicious influence which we today still have to exert great efforts to clear away. Fortunately, the correct policies adopted since the 3d Plenary Session of the 11th CPC Central Committee have brought new hope of revitalization to the Chinese nation.

The Chinese state leaders have drawn profound lessons from both positive and negative experiences and found that it is necessary to make a radical change in the policy-making procedure and to introduce a democratic and scientific policy-making procedure. And it is under such circumstances that research in soft sciences emerges in China.

The role of soft sciences is to provide consulting services, carry out feasibility studies, draw up plans, and make prospect forecasts on various issues emerging in social development concerning the political, economic, cultural, military, and other fields, and to place the policy-making process on the basis of accurate scientific argumentation, by making use of systems engineering and other related modern scientific theories such as operational research, information theory, and cybernetics, with the aid of electronic computers, data bases, office automation facilities, and so on.

Since the 3d Plenary Session of the 11th CPC Central Committee, Chinese state leaders always extensively solicit opinions from various circles, especially from among scientists, whenever they are going to make an important decision. In March 1981, Hu Yaobang called a group of economists including Ma Hong to discuss how to organize natural and social scientists to forecast China's development in 2000. In May of the same year, Zhao Ziyang, premier of the State Council, set up a consultative organization -- the Economic, Technological, and Social Research Center under the State Council, which is to make scientific analysis and forecasts regarding the feasibility of major technological and economic measures to be taken and of key construction projects to be started by the state. [paragraph continues]

This center organized more than 10,000 scientists and researchers to participate in a great project which resulted in research reports with a total length of about 10 million covering various aspects of China by the year 2000, such as population, employment, economy, consumption, science and technology, education, natural resources, environment, communications and transportation, and international environment. A research report entitled "China in the year 2000" was finally completed in 1985.

During the same period, the No 710 Research Institute affiliated to the Ministry of Astronautics Industry and the State Commission for Structural Reform. in cooperation with some other units, completed the research projects concerning the optimal mode for state macroeconomic control and the mode for comprehensive balance between financial subsidy, price, and wages. The results of the first research project has been used as an important reference in the drafting of the Seventh 5-Year Plan (1986-1990). Highly appreciating the first research project, Premier Zhao Ziyang pointed out that the forecast of economic development with the help of economic modes should be constantly improved. In the late 1970's, supported by some scientists and economists such as Qian Xuesen, Hua Luogent, and Xu Dixin, a group of specialists in control theory headed by Song Jian, who is currently holding the post of state councillor and minister of the State Scientific and Technological Commission, made a forecast on China's population and a study of population control, and thus provided a scientific basis for the formulation of the population policy. Moreover, Chinese scientists have also made studies of the new technological reform and China's policy in response to it, have initiated more than 10 major research projects concerning scientific and technological reform, and have made a comprehensive appraisal and study of the Sanxia project, a study of the strategy for rural development, and some surveys concerning geographical and industrial development strategy.

However, all these achievements simply show that China has just made a beginning in the study of soft sciences. All the participants in the soft science forum have agreed that the needs arising from the current national construction can only be met by vigorously promoting soft sciences. China has a large population and a vast territory. The development of different parts of the country is extremely unbalanced. In addition, the modernization program, the process of opening up to the outside world, and the reform of the economic structure have placed before us arduous tasks that had never been encountered in the past. All the above circumstances make the policy-making still more difficult. Therefore, today's problems can no longer be tackled by individual leaders with their old methods based on their outmoded experience. A little careless decision and a minor mistake may cause irremediable serious losses. Therefore, for the moment our task of top priority is to vigorously promote research in soft sciences and change our policy-making procedure.

Changing the Old Policy-making Procedure Is an Important Link of Reform of the Political Structure.

In his speech delivered at that forum, Vice Premier Wan Li emphasized that it is necessary to make the changing of the old policy-making procedure an important link to the reform of the political structure and it is necessary to turn soft science research into popular and socialized activities.

In its long-term struggle, the CPC has also found effective policy-making procedures, such as the mass line of "from the masses and to the masses;" the leadership method according to which "the masses' ideas are solicited and put together, and then persevered in and carried out;" the working method of selecting typical cases, initiating pilot projects, conducting studies and investigations, and making case analysis; and so on. [paragraph continues]

These methods are, however, far from enough to meet the actual needs since we are now facing a greater variety of more difficult tasks and, at the same time, the study of policy-making procedure has already become a discipline of science.

In this connection, Vice Premier Wan Li pointed out at the forum: Due to the backward state of science, culture, and education in China, the unsound legal system, the flaws regarding the quality of cadres, and the deficiency of democracy, so far China still has not established a whole set of rigid systems and procedures with regard to policy-making and is still short of a set of sound supporting, consultative, assessment, supervisory, and feedback systems for policy-making. Therefore, we can neither judge whether a policy is in keeping with scientific principles nor promptly and efficiently discover and control mistakes regarding policy-making. Today, the practices of blind and rash policy-making by some leaders based on their personal experience are still quite common and widely accepted. It is high time that we did away with such practices. Without solving this problem, our socialist system will remain unsound and our country's economy will hardly be able to develop continuously and steadily. The solution to this problem is one of the essential aspects of our reform of the political structure. The fundamental purpose of soft science research is to step up the introduction of a scientific and democratic policy-making process and to change the outmoded and benighted policy-making concept and methods left over by a feudal society which lasted over a long time.

Presiding over the forum, State Council and Minister of the State Scientific Commission Song Jian said: Historical experience has shown that courage and resolution are important factors in the policy-making process. However, without scientific data in support of them, they will turn out to be something emotional and delicate which is vulnerable to the influence by one's character and prejudice. Song added: In the course of reform, when a policy is emerging, there are always some people supporting, casting doubt upon, or opposing it. If we fail to make a macroscopic analysis and do not have a clear understanding of the general trend, we will lose our ability to distinguish right from wrong under the pressure of varying opinions.

Leaders Must Foster a Good Work Style by Respecting Science and Democracy

The participants in the forum held that leadership is a key link to the introduction of a scientific and democratic policy-making process. In this connection, Vice Premier Wan Li set forth in his speech some requirements for leading people at all levels. He held that the quality of our leading cadres at all levels is in general good. All of them have the basic quality and capability for exercising leadership. However, many cadres have a common shortcoming, namely, they lack the concept of and quality for scientific and democratic policy-making. Wan Li demanded that cadres at all levels study hard to get rid of the small producers' narrow views and shallow ideology and foster a good work style by respecting science and democracy. He criticized some leading cadres, for they have failed to conscientiously draw lessons from the sufferings that wrong policies had inflicted upon the state and the people, and they seldom make friends with, and even discriminate against, intellectuals and those with rich working experience. He said: It is necessary to encourage leading people to regularly exchange views and information and discuss questions with research personnel and those with rich working experience on an equal footing and in a democratic manner. Every leader should have several friends with deep insight and great courage, especially several real friends who dare to voice different opinions and give forthright admonitions.

Wan Li said: Research in policies is a task which bears a great risk. If a policy does not work well, leaders, rather than the research personnel, will be the first to be held responsible.

Create a Political Environment in Which People Can Consult With Each Other on an Equal Footing and in a Democratic Manner

In his speech, Wan Li particularly emphasized that the development of scientific theories, first of all, needs a political environment in which people can consult with each other on an equal footing and in a democratic manner. We must let others speak freely and allow others to voice different opinions or even criticize us. Soft sciences are a kind of creative mental labor which involves both academic and political activities. A high degree of freedom of academic activities can ensure independent thinking and an exchange of views, and thus brilliant ideas will spring up. Also, only a high degree of political democracy can encourage people to speak freely, frankly, and vehemently.

Wan Li said: A leader may disagree with researchers' views, reject their conclusions, or turn down their proposal. But he cannot force them to change their views and revise their conclusions against their convictions so that their views and conclusions will cater to his needs. In order to more firmly ensure that a democratic and scientific policymaking procedure will be established in China, we must make use of the legislative means to provide legal protection for policy researchers, so as to gradually turn the policy-making procedure into a rational system.

Wan Li also emphasized that in order to create a political environment in which people can consult with each other on an equal footing and in a democratic manner, it is necessary to steadfastly implement the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." This policy, which should be taken as the strategic guideline for the political development, ideological and theoretical studies, and cultural development of China, is the important hallmark of a high degree of socialist democracy.

CHING PAO ON BEIDAIHE, DENG'S REFORM PLANS

HK191005 Hong Kong CHING PAO in Chinese No 109, 10 Aug 86 pp 86, 87, 104

[Article by special correspondent Wen Chieh: "With Deng Xiaoping Being Concerned About Three Major Issues and Xiang Nan Responsible for Ideological Research -- Beidaihe, the Summer Capital, Is Busy With Activity" -- capitalized passages published in boldface]

[Text] The Three Major Topics for Discussion at the 6th Plenary Session of the 12th CPC Central Committee

There have already been many signs demonstrating that the 6th Plenary Session of the 12th CPC Central Committee to be held in September will be an unusual conference. This is because the overall reform carried out by the CPC has arrived at a critical stage and some important issues must be resolved urgently. IT IS EXPECTED THAT THE FOLLOWING ASPECTS WILL PERHAPS BE DISCUSSED AND DECIDED IN THE SESSION:

-- The extremely pressing political structural reform has been formally placed on the agenda. The targets, modes, methods, and steps of the reform need to be prudently studied and discussed. The breakthrough point should be a division of labor between the party and government.

-- As the building of socialist spiritual civilization has already been raised to a more important level, a programmatic document and more effective measures are needed.

-- Before the 13th party congress, some of the personnel arrangements in the leading organs of the party and government will be readjusted.

The Three Major Decisions of the CPC Higher Level

According to information from Beijing, the CPC Central Committee is vigorously making preparations for the convening of the plenary session in September. At present, there have already been several work groups conducting investigation and research. Under the leadership of the CPC Secretariat, A LEADING GROUP FOR THE POLITICAL STRUCTURAL REFORM HEADED BY HU QILI AND WANG ZHAOGUO, HAS BEEN NEWLY FORMED. MOREOVER: THE THEORETICAL RESEARCH GROUPS OF THE CENTRAL PARTY SCHOOL AND THE ACADEMY OF SOCIAL SCIENCES OF CHINA HAVE ALSO BEEN MOBILIZED TO PARTICIPATE IN THE RESEARCH AND PLANNING. ANOTHER ASPECT WHICH MERITS ATTENTION IS THAT THE WORK OF THE CENTRAL PROPAGANDA, DEPARTMENT HEADED BY ZHU HOUZE is becoming more and more active. Beginning from early June, the Central Propaganda Department has called a series of symposiums to solicit opinions from cultural and press circles, IN AN EFFORT TO MAKE PREPARATIONS FOR DRAFTING SOME DECISIONS ON STRENGTHENING THE BUILDING OF SOCIALIST SPIRITUAL CIVILIZATION. It is also disclosed that A THEORETICAL RESEARCH LEADING GROUP MAKING DARING EXPLORATIONS AND REFORMS IN THE REALM OF IDEOLOGY HAS ALSO STARTED WORKING IN ZHONGNANHAI. THIS GROUP IS MAINLY HEADED BY XIANG NAN, THE FORMER FUJIAN PROVINCIAL CPC SECRETARY AND A NOTED PRAGMATIST AMONG THE REFORMERS.

All this work, investigation, research, and planning focus on the tasks of the CPC plenary session in September and the 13th party congress; it is expected that before the convening of the plenary session in September, the leaders of the CPC higher level will meet for a period in Beidaihe to listen to reports and discuss decisions.

The Summer Capital Will Attract Attention

At present, the summer offices of the CPC Central Committee in Beidaihe have already been opened. These offices include the General Office of the CPC Central Committee, the General Office of the State Council, and the offices of the NPC Standing Committee and the CPPCC. These offices are all in the Xishan District of Beidaihe, which is the scenic (sacred) spot of this seaside summer resort. Villas, gardens, bathing beaches, and office buildings spread all over the place. In the past, Mao Zedong, who was fond of sea bathing, and Lin Biao, who was the best at engaging in covert activities, regarded this place as their exclusive domain, posted heavy security guards and built special roads leading to Shanhaiguan Airport and Beidaihe Railroad Station. At present, this forbidden area has been partially opened to tourists and the ordinary workers and staff vacationing here. Although being allowed to visit the Lianfengshan Park and some sections of the Zhonghai Beach, these people should avoid visiting places with "No visitors!" signs and security guards. The center of the group of buildings which basically forms a "summer capital" is a large auditorium previously called "the club of the CPC Central Committee" and now called "the small Great Hall of the People." [paragraph continues]

Those people who serve the high officials of the central authorities are stationed in the several large buildings nearby. These high officials and their relatives all have their own secret garden villas.

Exactly a year ago, while all the important high officials were meeting in the summer capital of Beidaihe to discuss the important personnel arrangements to be made at the national party congress, I once paid a visit to this forbidden area and it made a deep impression on me. The tourist season last year started early; and it was said that the staff of the central organs from Beijing began successively to man the offices in early June. Because this year's summer started relatively late in the north, and there has been more rainfall lately, the temperature so far still remains around 30 degrees centigrade. Therefore, although the dog days started on 15 July, most of the CPC high officials are still working in Beijing. Last year, it was Deng Xiaoping who arrived first in Beidaihe and he did not leave until late August. Because of their tight schedules, Hu Yaobang and Zhao Ziyang were the last officials to come to Beidaihe. In fact, they did not really enjoy the cool weather here but shuttled between the capital and the summer capital. It is expected that their whereabouts this year will depend on their division of labor. As Deng Xiaoping is the key figure at the decision-making level, with his moving elsewhere, undoubtedly the news from Beidaihe in the next month or so will attract people's attention.

Mr Deng Is Concerned About Three Major Issues

In the first half of this year, a very grave social and economic situation arose on the mainland. The development rates showed obvious signs of stagnation; the total industrial output value fell by 18.2 percent against the corresponding period last year; the foreign trade deficit reached \$6.2 billion; foreign exchange was in great demand; state revenue fell short of expenditure; the issues of commodity prices and wages became more and more prominent; and the crime rate was on the increase, with juvenile delinquents accounting for three-fourth of criminals. In the face of these issues, the CPC authorities called various meetings to work out measures. It is said that after listening to the reports of Zhao Ziyang, Hu Qili, and the members of the secretariat responsible for economic and legal work, Deng Xiaoping gave three instructions which have not yet been completely disclosed to the outside. IT IS SAID THAT DENG XIAOPING IS PAYING CLOSE ATTENTION TO: THE ISSUE OF GRAIN, THE ISSUE OF FOREIGN EXCHANGE, AND THE ISSUE OF POLITICAL STRUCTURAL REFORM, WHICH HE EMPHATICALLY POINTED OUT.

The Grain Issue Should Not Be Taken Lightly

As everybody knows, Deng Xiaoping's line of reform is to proceed from the rural areas to first of all enable the 1 billion population to have enough to eat and wear. Only after the people have enough to eat can the social economy be invigorated. This is the most fundamental factor for stability and unity. Through the efforts over the last 5 years, the issue of attaining sufficiency in food and clothing has been basically resolved. However, as the ration system for grain and oil (among the over 200 million nonagricultural population) still cannot be abolished and relief grain and subsidy grain still have to be sent to some areas, it shows that this issue still has not been really resolved. In particular, because the output of grain tended to drop by a big margin last year, grain was in short supply in the first half of this year and few people in rural areas raised pigs. This is related to cause such as that the productive forces in the rural areas are moving to the urban areas; the areas under cultivation are shrinking; the progress of rural production techniques is slow; the investment in capital construction on farmland is insufficient; the capability for meeting disasters is poor; and so on. [paragraph continues]

DENG XIAOPING SAID THAT THIS IS A MAJOR ISSUE WHICH IS PARTICULARLY WORTHY OF ATTENTION AND SHOULD NOT BE TAKEN LIGHTLY. His aim is to make grain output reach 960 billion jin and per-capita output reach 800 jin by the end of this century. Therefore, over 10 billion jin of grain must be added per year. Otherwise, the passive situation of importing millions of tons of grain will reappear, thus affecting the economic rate of development. In other words, only by proceeding from the reality on the mainland can the people attain sufficiency in food and clothing and reach the level of a comparatively well-off life. The issue of agriculture always affects the situation of reform as a whole.

A New Stage of Opening Up to the Outside World

Foreign exchange is the second issue followed with interest by Deng Xiaoping. In fact, this issue has reflected some confusion in the work of foreign economic relations and trade. It is a major problem that the policy of opening up to the outside world lacks attraction and vitality and affects economic development. Last year, the economy was overheated, foreign exchange was out of control, and a large number of high-class consumer goods were imported blindly. Moreover, because of the problems in the aspects of quality, markets, price, and so on, the export rate of commodities did not increase much; the foreign trade deficit was as high as in excess of \$10 billion; the foreign exchange reserves dropped by a big margin. In the first half of this year, although foreign exchange controls were strengthened to bring the import of commodities under strict control, the foreign trade deficit still amounted to over \$6 billion. It is expected that the mainland's total import and export volume this year will, at best, reach about \$60 billion. As there is not much potential, the future is not promising.

Deng Xiaoping must be so dissatisfied with this state of affairs that he personally asked about it and gave instructions. He knows that the cause of both the foreign exchange and foreign trade problems lies in the low efficiency of production and business management, the low quality of products, and the poor capability for earning foreign exchange through export. It has become a task of top priority to resolve these problems. The main way is still to proceed from the economic and political structural reforms and to make substantial progress in invigorating the domestic economy and opening up to the outside world.

Observers in Hong Kong believe that IN HIS SEVERAL LATEST REMARKS TO REVEAL THE TENDENCY OF THE MOVEMENT OF POLITICAL REFORM, DENG XIAOPING HAS ALWAYS STRESSED CONTINUING THE IMPLEMENTATION OF THE POLICY OF OPENING UP TO THE OUTSIDE WORLD. This might mean that the Chinese Government will apply the strong point of the flexibility of its diplomatic policy to seize opportunities to further its economic and trade cooperation with Eastern and Western countries. Hu Yaobang and Zhao Ziyang visited in succession 10 countries in West Europe, East Europe, and the Mediterranean region. These are not the usual diplomatic trips.

Meeting of CPC Political Bureau Standing Committee Discusses Division of Work Between Party and Government

Foreign reporters once reported that Deng Xiaoping disclosed for the first time when meeting with the Korean party and government delegation on 12 July that the CPC will carry out reform of the political structure. As a matter of fact, as early as on 10 June, he had already instructed the Secretariat of the CPC Central Committee to carry out a reform of the political structure. [paragraph continues]

Later, AT A MEETING OF THE STANDING COMMITTEE OF THE POLITICAL BUREAU OF THE CPC CENTRAL COMMITTEE, HE ALSO TALKED ABOUT THE NECESSITY AND IMPERATIVENESS OF THIS REFORM. IT WAS SAID THAT THIS MEETING MAINLY DISCUSSED THE QUESTION OF THE DIVISION OF WORK BETWEEN THE PARTY AND THE GOVERNMENT. It seems that this important reform in the realm of the superstructure has already been placed on the agenda.

As a matter of fact, as early as on 18 August 1978, a little more than a year after he resumed office and took charge of state affairs, at an enlarged meeting of the Political Bureau of the CPC Central Committee, Deng Xiaoping had already proposed that the leadership system of the party and state should be reformed and that problems such as making no distinction between party and government, the party acting in place of government, overcentralization of power, and the life tenure and patricarchal systems of leading cadres should be solved. From this we can see that at the very beginning of implementing his line of reform, Deng Xiaoping already attached importance to the reform in some major aspects of the political field. Over the past 6 years or so, great achievements have been made in our efforts to streamline party and government organizations, simplify administration and transfer power to lower levels, and reform the cadre system. This provides a guarantee for and gives an impetus to the overall reform.

Whether Reform Can Succeed Depends on the Political System

Since China's reform has been pushed forward from the countryside to the cities and the overall reform, with reform of the economic structure as the center, has been carried out in depth, it is inevitable that the existing political structure, which cannot suit the reform in many respects and on many questions, has also been pounded at. Although the reform of the leadership system of the party and state is very important, it is still not a thorough reform of the political structure. The malpractices of bureaucratism mentioned by Deng Xiaoping 6 years ago still exist widely in the political life of our party and state. At that time, he gave the following 24 descriptions of the bureaucrats: standing high above the masses, abusing their power, divorced from reality, divorced from the masses, fond of putting up a facade, indulging in idle talk, rigid in thinking, sticking to old conventions, overstaffing, having more hands than needed, dilatory in doing things, inefficient in work, irresponsible in work, breaking promises, committing red-tapeism shifting responsibility onto others, acting with bureaucratic airs, liking to reprimand others, liking to retaliate against others, suppressing democracy, deceiving superiors and deluding subordinates, imperious and despotic, giving bribes in order to seek private interests, and taking bribes in disregard of the law. It was said that at the recent meeting of the CPC Central Committee, Deng continued to criticize these malpractices. It is obvious that the feudal system which gives birth to these rotten phenomena in the political and ideological fields and the political structure characterised by overcentralization of power should not be continued any longer.

As to the steps and measures the CPC will take in reforming the political structure and the goal to be reached, it is still not clear, because it is all under discussion at present. Take the division of work between party and government for example. Under socialism, the pattern of leadership of the ruling party is that the party rules over the government and the party secretary takes care of everything. If government administration is separated from the party, how can the absolute leadership of the party be ensured and implemented? ANYHOW, HIS EXCELLENCY DENG HAS MADE THE FOLLOWING REMARKS: WHETHER THE REFORM IN CHINA CAN SUCCEED DEPENDS ON THE REFORM OF THE POLITICAL STRUCTURE. Some people in the know reveal that Deng Xiaoping has pretty good ideas on this. Now, he and his brain trust are devising strategies in Beidaihe.

It is very likely that in the near future, a new strategic idea, something like the idea of "one country, two systems," may be put forth -- establishing a perfectly democratic and highly efficient political structure in China. It may become the greatest news in the international political arena in this century.

WEN HUI BAO SUMMARIZES VIEWS ON POLITICAL REFORM

OW191901 Shanghai WEN HUI BAO in Chinese 8 Aug 86 p 3

["Roundup of Viewpoints on Political System Reforms Most Recently" by Xia Xiaolong]

[Text] The overall reform of the economic structure and the rapid economic and cultural developments in China are fiercely battering the existing political system which has hampered the continuous reform of our economic structure. Therefore, issues regarding reform and the development of the political system have aroused the attention of a large number of theoreticians. Recently newspapers and journals have carried some articles regarding the reform of the political system. The following is a roundup of the main viewpoints in relevant articles:

1. Regarding the Significance of Political Structural Reform

The significance of reforming the political system lies in the pressing need to reform the political system. Everyone seems to share identical views on this issue. The reform of the economic structure calls for the reform of the political system. At the same time, political system reform guarantees economic structural reform. All this shows:

First -- Reform is closely connected with improvement in the leadership system.

Second -- Reform is related to improvement in state organs and to development of a new economic system.

Third -- Reform is related to improvement in the cadre system and to the fact that reform of the political system organizationally guarantees reform of the economic structure.

Fourth -- By improving the democratic system, we will be able to stir up enthusiasm and creativeness in the masses and offer those who carry out reform inexhaustible strength.

Some articles pointed out: In order to raise the efficiency of government organs and to strengthen and develop socialist democracy and the legal system, we need to reform the political system. For a long time, many of the malpractices in our political life have stemmed from the part of our existing political system which is not suited to our economic base. Therefore, we must carry out reform as soon as possible.

Some of the articles state: Reforming the political system guarantees development in spiritual civilization. Spiritual civilization is part of the superstructure.
[paragraph continues]

Since it is restricted by the economic base, it is also influenced by other factors in the superstructure including politics and law. Therefore, in the course of developing China's socialist spiritual civilization, we must not only rely on the development of our economy, but also depend on the improvement of our political system.

Some of the articles pointed out: The rapidly developing economy, science and technology, society, and culture in our era require reform in the political system. Political system reform is being carried out in many countries in the contemporary world. It has become a special feature of our era. By looking back on our course since the founding of the nation, particularly the "Cultural Revolution," some of the authors have even more clearly realized that reform in the political system has become an irresistible historic trend.

2. Regarding the Overall Target of Political System Reform

People with one idea in mind hold that in working out the overall target in reforming the political system of a socialist nation, we must rely on the following:

- Requirements set by the economic structural reform or a re-established pattern in economic construction for reforming the political system;
- Essential requirements set by the state system and the government system under which the people are the masters of the nation for reforming the political system; and
- Specific condition and environments of the state.

Particularly, traditional ideologies greatly affect the political system. They are the objective factors that we must take into consideration in determining the pattern to reform the political system. Therefore, China's overall target in reforming the political system from now on, and for a long period to come, is to oppose feudalism, overcome bureaucracy, and practice democracy in the leadership system, and in various political activities, to strengthen democratic management over economic life in the whole society.

Those with another concept hold: In reforming China's political system we must tackle the issue of over-concentration of power. Our main task is to establish a highly democratic socialist political system and a scientific political system in policy making. They believe that from a long-term view, reform of the political system involves the following four issues: the division of power among various regions; the division of power between organizations at the higher level and those at the lower level; the division of power between government organizations and the organs in society; and the degree of people's involvement in political policy-making. Since 1979, it is precisely on the basis of these four issues that our political system has been reformed.

Another viewpoint specifically interprets the reform of political system as raising the efficiency and democratization of the political system. This viewpoint proposes that merging the economic function with the political function into a contemporary political system determines that the reform of China's political system has two implications. One implication is that reform in the government system means administrative reform; the other is that reform in the system of political power means political reform.

Therefore, the dual nature of the connotation of political system reform determines the dual nature of the goal of China's reform in the political system -- one is the high efficiency of our government system, the other is the democratization of the political power system. These are two aspects of the general goal in reforming the political system. They supplement each other, and the realization of one aspect relies on the development of the other aspect.

3. The Basic Assumption About Government System Reform

One viewpoint points out: It was when China reformed the economic structure that government system reform was first advocated. Various abuses (such as overconcentration of power, overstaffed organizations, and bureaucracy) existing in the current government system are gravely obstructing the continued penetrating development of the economic structural reform and greatly lowering the efficacy of the government system.

Therefore, to raise the efficiency of the government system, the main orientation of reform is: first, the division of power relationships; second, improvement in the cadre system; third, the establishment of government organizations; and fourth, the reform of government in operation. This viewpoint regards the abovementioned four aspects as a task of top priority in the reform of China's current political system.

Still another viewpoint believes that the key to government system reform lies in the change of government functions. The more we "streamline" our administrative structure, the larger it becomes; the more we "simplify" our government affairs, the more complex they become; the more personnel we "curtail," the more overstaffed our organizations and the less efficient they become. Why? This is directly and principally because, for years the pattern in our economic structure has had no fundamental changes, and the functions of government organs have had no major changes.

Therefore, this viewpoint holds that except for the human factor, that is, the personnel system, we should reform the government system by changing functions first and reforming administrative structure later. Specific steps to be taken include: First, replace direct control with indirect control, and strengthen comprehensive management departments; second, perfect the socialist pluralistic market system, step by step, and strengthen supervisory departments; third, define incumbent government and enterprise duties, simplify the administrative structure and delegate power to lower-level organs, and greatly cut down and merge specialized management departments.

4. The Basic Assumption of Political Power Reform

Reform of the political power system and reform of government system supplement each other. They jointly compose, in a general sense, the political system reform. We call for a highly efficient government system to coordinate with and spur on economic structure reform. In addition, we also call for a democratized political power system to consolidate and develop our economic structural reform. Therefore, viewed from a democratized political power system, the basic orientation of reform is: 1) correctly solving the question of party-government relations; 2) strengthening the system of the people's congress; 3) consolidating the self-government system of the masses at the grass-roots level; and 4) establishing an open political process.

According to the four above-mentioned aspects concerning reform of the political power system, people's viewpoints are not widely different, but each lays particular emphasis on certain questions. Some stress solving the question of party-government relations well, and paying attention to the development of inner-party democracy, and regard this as a prerequisite for the democratization of China's political life. Some emphasize strengthening the peoples congress system. Some regard people's taking part in reform and supervision, and democratic administration as a basic sign of socialist democracy and an important goal of the political system reform.

INDUSTRIAL PRODUCTION STRUCTURE IMPROVED IN 1986

OW192033 Beijing XINHUA Domestic Service in Chinese 1311 GMT 19 Aug 86

[Excerpts] Beijing, 19 Aug (XINHUA) -- With certain improvement in the structure of production and in the relations among various trades and professions, China's industrial production has shown a tendency for an appropriate growth rate and for a steady and coordinated development this year. According to information released by the State Statistical Bureau, the improvement in the structure of China's industrial production is mainly shown by the fact that the development of light industry and the development of heavy industry are comparatively well-coordinated, and the ratio between light industry production and heavy industry production has been readjusted and improved.

Of China's total industrial output value in the first half of this year, 49.7 percent were yielded by light industry and 50.3 percent by heavy industry. The ratio was quite appropriate. [passage omitted]

The heavy industry has improved the proportions among its various branches. Among the basic industries, the mining industry achieved a growth of 4.8 percent and the raw and semifinished materials industry grew by 9.8 percent. Their growth rates, greater than the 2.2 percent growth rate of the processing industry, are conducive to strengthening our weak basic industries. Since the beginning of this year, China's electric power generation has been increasing at a rate greater than the industrial growth rate. In the first half of this year, the outputs of pig iron, steel, rolled steel and cement increased at rates ranging from 9.7 percent to 14.8 percent, creating the necessary conditions and basis for further economic development. [passage omitted]

GUANGMING RIBAO ON COMMODITY NATURE OF LABOR

HK200347 Beijing GUANGMING RIBAO in Chinese 9 Aug 86 p 3

[Article by Xin Linong: "Several Questions Concerning the Labor Force as a Commodity"]

[Text] At present the study of the labor force market is receiving more and more attention. The key question is whether the labor force is a commodity. This article will make an initial exploration of this question.

The Labor Force as a Commodity and Public Ownership of the Means of Production

Under socialist conditions, laborers, who jointly own the means of production, are masters in production and labor. In line with the needs of society, they engage in joint labor by sharing their work and cooperating with each other, thus allowing labor to take on a social nature. On the other hand, labor is a way of life for laborers. The ability to engage in labor is a "natural privilege" of each laborer. The labor force -- labor -- must be used on the condition that laborers obtain relevant remuneration from their labor. Therefore, the labor force still maintains the nature of being owned by individual laborers.

Social production can be carried out only when laborers are combined with the means of production. Laborers in a socialist society can combine themselves with the means of production of enterprises only when they are recruited, employed, or appointed by enterprises. In carrying out production and circulation, the economy under socialist public ownership takes enterprises as relatively independent economic bodies. In production and operations, enterprises enjoy relatively independent autonomy and have economic responsibility for their entire property as well as their profits and losses. The legal entities and workers of enterprises are completely equal and have their own interests. The two can carry out economic exchange on the basis of voluntary participation, mutual benefit, mutual compensation, and equal value. Without intermediaries [zhong jie 0022 0094], no laborer is allowed to possess, allocate, or use any enterprises' property at will under the pretext of placing the means of production under public ownership; otherwise, enterprises' property and rights will be infringed upon. Only after becoming members of enterprises through intermediaries can laborers engage in productive labor under unified guidance and in an organized way and combine themselves with the means of production. Since the labor force belongs to individual laborers and labor is a way of life for laborers, the combination of laborers with the means of production through intermediaries is in fact an exchange relationship in which the labor force is commodity. In other words, enterprises gain the right to use the labor force, which belongs to individual laborers, by means of compensation.

True, the formation of the public ownership system of the means of production has fundamentally changed the form of the combination of laborers with the means of production, removed the obstacle between laborers and the means of production -- the capitalist -- and enabled laborers to become the joint possessors of the means of production, thereby bringing about a direct combination of laborers with the means of production. However, the following points should be noted: First, laborers jointly possessing the means of production and an individual laborer possessing his own labor force, his own means of labor, and the results of his own labor are two different economic concepts. They are generally dealt with as the difference between "public" and "private" and should not be confused in economic relationships. Second, in the whole historical period of socialism, it is necessary to exercise the principle of distribution according to work in socialist enterprises. Therefore, the relationship between laborers and socialist enterprises cannot but be a special type of exchange relationship with the labor force as a commodity.

The Labor Force as a Commodity and Distribution According to Work.

The labor force as a commodity is a key factor for money to turn into capital. Surplus value came into being on the basis of the buying and selling of the labor force. But we should not come to the conclusion that so long as there is a certain exchange of the labor force, exploitation of surplus value and the capitalist hiring system will certainly arise regardless of social and historical conditions. [paragraph continues]

I am of the opinion that in a socialist commodity economy with public ownership of the means of production, the exchange of the labor force as a commodity is a new type of exchange without exploitation and the participation of capitalists. Its main characteristics are as follows:

First, not only proletarians, who have completely lost all the means of production, but also socialist laborers, who jointly possess the means of production, "sell" their labor force. They still have to "sell" their labor force because, as Marx said, socialist society has not reached the stage in which "individual labor exists as a direct component of all labor without going through a tortuous path any longer." ("Selected Works of Marx and Engels," Vol 3, p 10) In other words, in the entire historical period of socialism, for individual labor to turn into social labor, it must abide by the principle of an exchange of commodities at equal value; that is, the principle of an exchange of equal labor. Therefore, laborers demand relevant remuneration from the labor force they "sell."

Second, not only capitalists, who possess the means of production, but also relatively independent economic bodies -- socialist enterprises -- which jointly possess the means of production, also "buy" the labor force. Apart from buying production and technological materials from the market for production, they also buy from the labor force market the labor force which is required for production. These production and technological materials as well as the labor force will become the production costs of enterprises according to their value in the course of production. Therefore, it is important for producers to reduce expenditure and avoid buying materials unnecessary for their production.

Third, the exchange of the labor force between individual laborers and socialist enterprises is an unprecedented, new type of economic relationship in human history. Its basic characteristic is that the pay laborers obtain from their labor is higher than the value of their labor force. This is because laborers demand the value of their labor force from the "sale" of their labor force. If their demand is not met, it is impossible to ensure the production and reproduction of the labor force. On the other hand, as joint possessors of the means of production, laborers also ask to have part of the results of their surplus labor. Therefore, in the socialist commodity economy, the pay laborers obtain from their labor includes the value of their labor force and part of the value created by their surplus labor. Only under this distribution system can the principle of distribution according to work really be put into effect.

The Labor Force as a Commodity and Labor Management System Reform.

A traditional theoretical viewpoint is that the labor force under socialist conditions is not a commodity and that only the labor management system of fixed employment can be exercised. Practice has proved that in the socialist commodity economy, as relatively independent commodity procedures and dealers, enterprises should readjust the quantity, quality, and mix of their laborers in line with their production conditions and actual needs. This readjustment can be carried out only through the labor force market. In addition, only in the labor force market can laborers have a free choice of jobs. The labor market can also provide education departments and labor training units with information on the supply and demand of the labor force, so that the socialist state will be able to ensure the supply of the labor force in a planned way. [paragraph continues]

Therefore, like the commodity market, the money market, and the technology market, the labor force market is an indispensable component of the socialist market system and is an inevitable product of China's economic structural reform.

There is fear that opening a labor force market will ruin the stability of the labor contingent, lead to a massive and random transfer of the labor force, and affect the development of socialist economic construction and social stability and unity. This fear is groundless. The calamity caused to laborers in the capitalist world by large-scale unemployment and tough competition in job hunting has made it easy for people to relate and equate the labor force market with the capitalist economic system. In fact, the socialist labor market is fundamentally different from the capitalist labor force market. The exchange of the labor force under socialist conditions is carried out on the basis that laborers jointly possess the means of production. There is no bourgeois participation, and the "buyer" and "seller" are no longer two antagonistic exploiting and exploited classes. Therefore, such an exchange of the labor force and such a labor force market are no longer controlled by the basic contradictions of capitalism and the law of surplus value, nor will they lead to a surplus of the labor force, which the capitalist system cannot overcome. Moreover, the socialist commodity economy is a planned commodity economy. The exchange of the socialist labor force and the socialist labor force market are guided under state plans in accordance with state policies and laws. They have eliminated the anarchic influence of the capitalist economy and are not easily affected by the law of value. Although the law of value still plays a regulatory role in the socialist labor force market, this role is brought into play by the socialist state in limited scopes to regulate the supply and demand of the labor force and to guide the rational transfer of the labor force. In conclusion, the exchange as a commodity of the labor force under socialist conditions and opening a labor force market will be beneficial to the development of the socialist economy. They will not lead us back to the capitalist road.

BANK OFFICIAL ON AID FOR JOINT VENTURES

OW161438 Beijing XINHUA in English 1211 GMT 16 Aug 86

["China To Give Financial Help to Joint Ventures" -- XINHUA headline]

[Text] Qinhuangdao, August 16 (XINHUA) -- From next year, Chinese investment and circulating funds for Sino-foreign joint ventures will be specially listed in the national credit plan, according to a government decision. This is an important measure to solve the financial problems of joint ventures, vice-president of the Bank of China (BOC) Yang Huiqiu told a national conference on credit for Sino-foreign enterprises in China which closed here today.

In addition, he said, more flexible measures will be adopted by the BOC to solve the lack of circulating funds in these undertakings. They include granting special or temporary credits, opening mortgage cash business, current deposit overdrafts and using interbank call-money, foreign trade credit and long- and medium-term loans. As for large enterprises with a high rate of economic efficiency, Yang said, they can receive credits from international banks with the help of the BOC so long as they conform with the requirements.

This business now can be managed by BOC branches in Beijing, Tianjin, Shanghai, Qingdao, Nanjing, Urumqi and Guangzhou, and its scope will be enlarged gradually in the future according to the demand. Efforts will be made to help enterprises with foreign investment to raise funds from abroad and guarantee their performance, while Chinese investors will also be given loans when they are in difficulty.

If permitted, the vice-president said, the BOC's overseas branches could also provide loans to Sino-foreign joint ventures.

In providing credits, Yang said, priority will be given to productive projects with imported technology, export-oriented enterprises and those producing items for substituting imported goods.

CHINA'S OPEN POLICY ACHIEVEMENTS REVIEWED

OW160626 Beijing XINHUA in English 0610 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA) -- China has used 24.9 billion U.S. dollars of foreign investment and approved the establishment of 6,880 joint ventures, cooperative enterprises and foreign enterprises in China over between January 1, 1979 and July 30 this year, according to a government report. Of the foreign investment used, 5.4 billion U.S. dollars were direct investment, the report says. During the past ten years, both imports and exports have grown at an annual rate higher than the world average and the growth rate of industrial and agricultural production.

China is now the world's 16th greatest exporter in 1984, as against 32nd in 1978. From 1979 to the first half of this year, it earned 160 billion U.S. dollars from exports.

More than 50,000 people are performing construction tasks abroad. They belong to 66 companies offering overseas labor service. The four special economic zones and the 14 coastal cities and the Hainan Island have become "windows" for other parts of the country to see the world and for the world to see what is going on in China, the report said. The opening of these areas has helped speed construction of the Bohai Bay, the Yangtze and Pearl River Deltas and other eastern parts of the country and prepare central and western China for a projected economic take-off.

Thanks to the open policy, China has been able to invest one billion U.S. dollars in oil development, contributing to stabilizing its annual oil output at 700 million barrels. The use of foreign loans have helped resume construction of a number of urgently needed projects, which had been suspended for shortage of funds.

The use of World Bank loans is improving the alkaline soil in Shandong, Henan and Anhui helped increase grain output by 44 percent, cotton output 74 percent and oil-bearing crops 300 percent.

VILLAGE ENTERPRISES EARN MORE FOREIGN EXCHANGE

OW171405 Beijing XINHUA Domestic Service in Chinese 0001 GMT 17 Aug 86

[By reporters Dong Ruisheng and Zhang Yong and correspondent Zhou Handa]

[Excerpt] Beijing, 17 Aug (XINHUA) -- It has been learned from the State Administration of Village and Town Enterprises that foreign exchange earned by China's village and town enterprises has increased at an annual rate of 15 percent in recent years. An export production system of village and town enterprises linking cities and the countryside is taking shape.

According to statistics provided by the administration, China had 12,200,000 village and town enterprises as of the end of 1985. Their total annual output value was 272 billion yuan, accounting for 44 percent of the total rural output value. According to incomplete statistics of 15 provinces and municipalities, some 6,000 village and town enterprises are producing export goods and 870 joint enterprises have been set up with foreign investment or in cooperation with foreign firms. Export products directly or indirectly supplied by village and town enterprises earned foreign exchange totaling \$4 billion last year. [passage omitted]

CHINESE PROSE WRITER DISCUSSES FREEDOM OF SPEECH

HK170856 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1149 GMT 14 Aug 86

[Text] Beijing, 14 Aug (ZHONGGUO XINWEN SHE) -- Qin Mu, a noted Chinese prose writer, said that a spacious, harmonious environment is not bestowed on the people by anyone as a favor. It is the embodiment of the people's rights as stipulated in the Constitution.

Qin Mu, who is now vice chairman of the Guangdong Federation of Literature and Art, gave an interview to a HUASHENG BAO reporter a few days ago. Qin said that the party and government in power should act according to law and urged those who wield power to understand that they do not have the right to "bludgeon" others. The practices of "bludgeoning people" and "punishing people for what they have said" in the past, which brought misfortune to writers, were against the law and were an encroachment on people's rights.

Mr Qin spoke highly of those who take risks, who explore courageously in the all-round reform, and who dare to speak the truth for the sake of the country and people. If we have more people who dare to speak the truth and resist a handful of influential people who arbitrarily abuse power, Qin said, there will be less chance of people being convicted for their speeches. When the number of people who dare to speak and uphold the truth increases, they will become a social force compelling those who are used to "bludgeoning" others to change their ways.

Qin Mu stressed that we should never presume that capitalist countries train people loyal to capitalism and that their social sciences and spiritual civilization belong to capitalism. We introduced the theories of Marx and Engels which came into being from capitalist countries. Although the civilization of capitalist countries has its limitations, it is more enlightened and advanced than feudalist things.

Qin Mu said that Hong Kong has 10 products that rank first quantitatively in the world even though it occupies a limited area. What does Hong Kong rely on? It is nothing but the advanced technology of various countries.

Qin Mu is an Overseas Chinese who returned from Singapore. His literary activities cover many fields. He achieved nationwide fame for his prose collection entitled "Picking Up Shells From the Sea of Literature."

ZHANG JINGFU SPEAKS ON FOREIGN JOINT VENTURES

OW161724 Beijing XINHUA in English 1423 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA) -- State Councillor Zhang Jingfu said here today that Sino-foreign joint ventures have bright prospects, and all the joint ventures should make concerted efforts to provide the international market with fine-quality products at competitive prices, Zhang said at today's opening ceremony of the Sino-U.S. joint venture, Babcock and Wilcox Beijing Company Ltd.

The councillor also said that preferential treatment will be given to Sino-foreign joint-venture and cooperative enterprises. Adopting U.S. technology and quality standards, this joint venture will produce large industrial boilers and electric power station boilers which are badly needed by China. This joint venture is the first one in China's electric power equipment industry. The agreement was signed at the end of last year.

ZHAO ZIYANG STRESSES ROLE OF FACTORY DIRECTORS

HK160738 Hong Kong WEN WEI PO in Chinese 15 Aug 86 p 2

[Report by reporter Kuang Yu: "Zhao Ziyang Explicitly Points Out That a Factory Should Be Managed by Its Director; The Secretary of the Party Committee Should Do the Work of the Committee and Should Not Replace the Factory Director"]

[Text] Premier Zhao Ziyang recently said at a national conference attended by provincial governors in Beijing that "a factory director should be the primary leader rather than the secondary leader of the factory. A secretary of the party committee should be a person who is suited to the work of handling the affairs of the party committee. This is also a principle implemented by the East European countries. At present, a major task is to properly adjust the factory leading bodies and select competent factory directors who can play a role as a leadership core in the factory."

Bo Yibo pointed out "According to our experience of many years, the replacement system must be abolished and the factory director responsibility system must be implemented. The leading bodies of various enterprises should be properly adjusted. Deputy directors can be appointed directly by the director. Reform must not be delayed. According to our experience of the past 38 years, we must adopt the factory director responsibility system. Competent people should be selected to be factory directors.

This 4-day meeting was chaired by Zhao Ziyang. In the meeting period, Tian Jiyun and Hu Qili delivered speeches on reform of the labor system.

Their speeches include the following points: 1) Reforming the system of using manpower; 2) Reforming the system of recruiting new workers; 3) Giving power to enterprises to dismiss workers who violate discipline; 4) Establishing a social security system and solving the problems of waiting for jobs and welfare of old people.

Leaders attending this meeting included Wan Li, Hu Qili, Yao Yilin, Tian Jiyun, Wang Zhaoguo, Bo Yibo, Chen Muhua, Wang Bingqian, Zhang Jingfu, Song Ping, Gu Mu, and Song Jian.

TIAN JIYUN, OTHERS AT SYMPOSIUM ON DENG ZIHUI

OW180855 Beijing XINHUA Domestic Service in Chinese 1036 GMT 17 Aug 86

[Excerpts] Beijing, 17 Aug (XINHUA) — A symposium to study Comrade Deng Zihui's concept of agricultural development was held at the Great Hall of the People this morning. Attending today's symposium were Tian Jiyun, Deng Liqun, Wang Zhen, Peng Chong, Zhang Jingfu, Zhang Aiping, and other comrades.

Comrade Deng Zihui was born in Longyan, Fujian. He took part in the revolution in 1925 and joined the CPC in 1926. [passage omitted] He died of illness in Beijing in 1972. Wang Zhen, vice chairman of the Central Advisory Commission, delivered a speech at the symposium. He said: Comrade Deng Zihui was a loyal proletarian revolutionary of our party. Over a fairly long period he was responsible for doing our party's rural work and performed spectacular feats for the development of agriculture in China. [passage omitted]

Wang Zhen said: Tremendous changes have taken place in our present era as compared with the past. Reform of the urban and rural economic structure is being carried out in an overall manner. The task of reforming the political system is already on our daily agenda. Only by extensively carrying out rural reform and attaining continuous successes can we create conditions for restructuring the entire economic system in the country.

State Councillor Zhang Jingfu also delivered a speech at the symposium. After reviewing Comrade Deng Zihui's lifetime achievements, he said: Comrade Deng Zihui impressed people most by strictly adhering to the line of seeking truth from facts and giving full play to the work style of closely combining theory with practice. Soon after nationwide liberation, he worked for the CPC Central Committee, being in charge of rural work. Although he experienced ups and downs, he remained unchanged in his adherence to the line of seeking truth from facts like during the war period and to the principle of placing the interests of the people above everything else. The concepts and principles he consistently advocated will shine with even greater radiance today when the party and people have solemnly reaffirmed the correctness of many of the views Comrade Deng Zihui had put forward and advocated in the past doing all kinds of work. This is the most important and valuable ideological legacy he has left us.

Today's symposium was sponsored by the Chinese Agro-Economic Society and the Institute of Rural Development of the Academy of social Sciences of China. Du Rensheng, director of the Rural Policy Research Center of the Secretariat of the CPC Central Committee, presided over the symposium, which was attended by more than 300 people.

ANHUI RECTIFICATION CURBS UNHEALTHY TENDENCIES

OW190551 Hefei Anhui Provincial Service in Mandarin 1000 GMT 18 Aug 86

[Text] Following the party Central Committee's 8,000-strong meeting and the Anhui provincial party committee's early March mobilization meeting, leading party groups and party committees of all units directly under the provincial party committee and government have genuinely attached importance to the task of party rectification. Principal leading comrades have taken the lead in making comparisons and examinations in light of reality. Many units have precisely solved problems concerning party members and cadres thinking and understanding, enabling them to heighten their awareness of party spirit. Initial achievements have thus been made in party rectification.

The six unhealthy tendencies, as pointed out in party Central Committee documents, have been curbed in time in most units directly under the provincial party committee and government. The majority of party and government organizations and cadres have closed down or separated from the companies or businesses which were operated in violation of regulations. In certain cases, efforts are being made to solve post-closure problems. The composition of personnel going abroad is becoming more reasonable. All units have taken stock of their vehicles and measures are under study to dispose of the vehicles obtained in violation of regulations. Fewer tours are made at government expense. There has also been a drop in the number of office cadres going to basic-level units to accept dinner invitations. Fewer receptions are being held for incoming guests. Many units are checking their private vaults and returning such illegitimate incomes as payoffs, bonuses, kickbacks, and gifts from lower units.

An important experience in rectifying party style has been the investigation and handling of major and important cases. All units have made great efforts to investigate major and important cases. In the first half of this year, units directly under the provincial party committee and government placed 75 cases on file for investigation. Investigations into 66 cases have been completed, and conclusions have been drawn on 42 while conclusions are pending on 24. The judicial departments have arrested 22 persons involved in these cases, and they will be put on trial. Investigation of the remaining cases is actively continuing.

Some units have corrected the unhealthy practice of abusing power or taking advantage of one's position for private gain. They have made it a major task and have taken a series of unique measures. They have achieved some results.

The provincial Commerce Bureau has firmly normalized the distribution of commodities. The provincial Power Bureau has firmly corrected such unhealthy practices as illegitimately cutting off power supply, abusing one's position to squeeze dinners and gifts for customers, overcharging customers, and collecting illegal service charges. This has further rectified their guiding ideology and has prompted in-depth development of the task of rectifying party style.

FUZHOU RETURNS CONFISCATED OVERSEAS CHINESE HOMES

OW110603 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 10 Aug 86

[Text] Fuzhou City continues to fully implement the policy on houses belonging to Overseas Chinese. In the first half of 1986, another 844 households of Overseas Chinese and families of Overseas Chinese regained their private ownership of their houses wrongly confiscated or requisitioned during agrarian reform.

The total floor space of these returned houses was more than 158,000 square meters, or 99.4 percent of the total that should have been returned. Of the 844, households, 670 have regained their right to use the houses with a total floor space of over 120,000 square meters, or 76.4 percent of the total.

FUJIAN PROVINCE LEADERS HELP GRASS-ROOTS UNITS

OW151331 Beijing XINHUA Domestic Service in Chinese 2302 GMT 12 Aug 86

[By reporter Xu Yiming]

[Excerpts] Fuzhou, 13 Aug (XINHUA) -- Cadres of the leading organs in Fujian Province spent a great deal of time conducting investigation and study efforts and helping grass-roots units to overcome difficulties and promote healthy development in opening the province to the outside and reforming the economic structure. [passage omitted]

With these issues in mind, principal leading comrades of the provincial party committee and the provincial government Chen Guangyi, Hu Ping and others went deep into the grass-roots units to conduct investigations and study. They toured 9 prefectures and cities and more than 20 counties. They discovered that the abundant natural resources in the mountainous region from east Fujian to northwest Fujian have not been brought into full play, failing to exercise the regions economic and commodity predominance.

Peasants in some remote hilly areas were unable to eradicate poverty and raise their standard of living. It was for this reason that the provincial party committee held an enlarged plenary session and adopted a 15-article resolution on helping poor districts eliminate poverty. Later, various organs directly under the provincial authority dispatched approximately 1,000 cadres and organized work teams and lecture groups to go to 11 poor counties to help the local people eradicate poverty. As of now, the number of cadres doing this type of work at the provincial, prefectural, city and county levels has exceeded 10,000. Various prefectures and cities have worked out plans to eradicate poverty as well as raise their standard of living, and established a responsibility system at each level to help the poor. They also used various channels to raise funds to help the poor. Such funds had been rapidly distributed in poor townships and villages and among poor people. [passage omitted]

The various organs directly under the provincial authority also maintained close ties with various counties, (cities), townships and villages. Leading comrades at and above the vice governor and the provincial party committee's Standing Committee member level maintained close ties with the 11 poor counties and the 2 island counties in helping the poor. They regularly visited these counties to study the local situation and help solve problems. After establishing ties with poverty-stricken Pinghe County, the provincial foreign trade department helped the county set up six base areas for exporting green asparagus, long-haired rabbits and freshwater eels as well as other agricultural, sideline and local products. It is estimated that the county will be able to earn as much as 8 million yuan of foreign exchange.

The enlarged session of the Standing Committee of the provincial party committee held on late July this year devised new investigative and study plans for the second half of this year. It has been decided that leading comrades of the provincial party committee and the provincial government will organize teams to carry out investigation and study in the Xiamen Special Economic Zone, the delta area open to the outside in southern Fujian, the city of Fuzhou which is also open to foreign countries, Meizhouwan and other localities in August and September.

They will handle official business on the spot, and study ways to further open the coastal region to the outside and carry out reforms. Right now, the various investigation groups have already embarked on their journey despite the hot weather.

SHANDONG FAMILY PLANNING WORK CONFERENCE CONCLUDES

SK200552 Jinan Shandong Provincial Service in Mandarin 2200 GMT 19 Aug 86

[Text] The 5-day provincial family planning work conference concluded in Jinan on 19 August. Provincial Governor Li Changan spoke at the conference. Vice Governor Ma Changgui delivered a report.

The conference noted: The Seventh 5-Year Plan is a peak period for population growth. In addition, the uneven development in the improvement of child-bearing policies and in family planning work, and the ineffective propaganda have confused some cadres and people about the improvement in the child-bearing policies. This has made family planning work more arduous during the Seventh 5-Year Plan.

Comrade Li Changan pointed out: We should comprehensively understand and implement the party's child-bearing policies, and guard against lopsidedness. It does not necessarily mean that to improve the child-bearing policies we have to relax the policy on family planning. By saying that the policies are fair and reasonable, we mean that they should be compatible with the conditions of both the country and the people, and should take into consideration the overall interest of the four modernizations and the actual difficulty of the masses, and they should not deviate from the basic national policy of bringing population growth under strict control.

He urged party committees, governments and departments at all levels to regard family planning as an important task, provide necessary manpower, materials, and technologies in a timely manner, and work in close coordination to fulfill our province's population control plan for the Seventh 5-Year Plan.

GUANGDONG'S LIN RUO URGES AGRICULTURAL DEVELOPMENT

HK160457 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 16 Aug 86

[Text] The Guangdong provincial conference of county party committee secretaries concluded in Dongguan this morning. Provincial party committee Secretary Lin Ruo delivered a summation report. He said: There are great potentials and prospects for agricultural development in Guangdong.

In his report, comrade Lin Ruo first analyzed the current agricultural situation in the province. He said: Thanks to unswerving implementation of the principle of opening up to the world and invigorating the domestic economy, Guangdong's rural commodity economy has undergone very great development in recent years. Not only has this development occurred in areas where the economy was already relatively developed and the level of production has risen quite rapidly, but -- and particularly noteworthy -- a mass upsurge of development has also formed in mountain and coastal areas where the economy was far from developed before.

He said: The emergence of an upsurge of agricultural development means not only the expansion of the scale of agricultural production but also the deepening and improving of production. It is ended an advance in depth and breadth.

Lin Ruo said: Guangdong has abundant natural resources and excellent climatic conditions for agricultural development. The province still has some 60 million mu of undeveloped barren hills and slopes. This is far greater than the existing area of farmland. Some 2.3 million mu of coastal shore and water can be developed, and less than half of this has been developed to date. Guangdong has great potentials for agricultural development. If we make a success of this work, it is completely possible for a second upsurge of agricultural development to emerge following the great development that took place during the Sixth 5-Year Plan. This will also lay a sound foundation for fulfilling the Seventh 5-Year Plan for natural economic development.

GUANGDONG LEADERS ON ECONOMIC WORK, RECTIFICATION

HK160313 Guangzhou Guangdong Provincial Service in Mandarin 09090 GMT 15 Aug 86

[Text] This morning, Governor Ye Xuanping and provincial party committee Deputy Secretary Guo Rongchang respectively reported on economic work issues and on doing a good job in township-level party rectification and completing the task of party rectification in the rural areas at the provincial meeting of county party secretaries.

In his report, comrade Ye Xuanping pointed out that the province should actively promote three reforms in the second half of the year: 1) Reforms in the labor system. The contract system should be instituted for new workers recruited by state-owned enterprises. The practices of having one's place taken by a son or daughter and on internal recruitment must be abolished. 2) Get a good grasp of reforming the leadership setup in state-owned industrial enterprises, with the focus on practicing the system of responsibility for accomplishing goals during a manager's term of office. 3) Seriously put enterprise decision-making powers on a sound basis and invigorate the enterprises. It is also necessary to go further in controlling investment in fixed assets and strictly control expenditure and the use of foreign exchange, to ensure balanced spending and income in foreign exchange.

Comrade Quo Rongchang stressed in his report that it is essential to strictly grasp the policies in township-level party rectification and pay attention to providing appropriate guidance according to the circumstances. Economically-developed areas must pay attention to solving problems of party-member cadres abusing powers and of insufficiently corrected guiding ideas on economic work. Backward areas must pay attention to resolving problems of apathy among party-member cadres when faced with difficulties. The coastal areas must pay attention to solving problems of internal and external collusion, speculation, and smuggling and peddling of contraband. Party rectification work in disaster areas must stimulate relief work.

The township-level rectification in the province will be launched on a full scale in the last 3 weeks of August. It should be completed next spring. Counties seriously hit by disasters can delay launching the work for 1 or 2 months. However, not less than 3 months can be spent on party rectification. The demands on quality cannot be lowered. The county and district party committees, especially the country committees, must regard township-level party rectification as the central task in rural work in the second half of the year and do a good job in strengthening leadership over it.

HUBEI OFFICIALS REPORT SUCCESS IN LABOR REFORM

OW181236 Beijing XINHUA in English 1145 GMT 18 Aug 86

[Text] Wuhan, August 18 (XINHUA) -- Officials in central China's Hubei Province say their experiments since 1983 with the country's emerging contract labor system have been successful.

"Having people sign on for three or five years is certainly better than guaranteeing them jobs for life -- while making it difficult for them to leave if they want to," according to one official.

Hubei authorities say 150,000 workers in the province of 48 million are involved in the contract system and that many of them have become mainstays of the trades and the service enterprises in which they are employed. And they say many of the workers have already advanced in their units. In central Hubei's Shashi City, for example, a random survey of 2,200 contract workers found four had become department heads, 103 had been promoted to shift leaders and 192 had been named model workers.

"Just look at the facts," one provincial leader said. "Not only are the contract workers performing better than those with jobs for life, as long as they do well, they will have more personal power than ordinary workers -- at the end of their contracts, they can switch jobs."

Since none of the initial contracts has expired, no worker has been fired, and no enterprise has had to cope with an unwanted transfer by a key worker. At any rate, authorities say so far the contract system seems to balance the responsibilities and interests of both enterprises and workers.

In Wuhan, the capital of Hubei, authorities have combined the contract system with an extensive job training program. In 1985 alone, city officials say, 35,000 people participated in training programs before signing contracts to work in Wuhan's state- and collectively-owned businesses.

GUIZHOU SECRETARY AT CONFERENCE ON KEY ENTERPRISES

HK190243 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 17 Aug 86

[Text] The usual summation report was cancelled at the closing ceremony of the provincial conference on key enterprises which concluded on 17 August. Provincial CPC Committee Secretary Hu Jintao, Vice Governor Zhang Shukui, and responsible persons of departments concerned who attended the closing ceremony stepped down from the rostrum and went amidst factory directors and managers to hear their views on the reform enterprises and to answer their difficult questions on the course of invigorating enterprises.

During the 5-day conference, factory direction and managers from 140 key enterprises and 22 specially invited enterprises reported that due to the fact that the new is replacing the old, reform measures are not carried out well, and the political structure does not suit economic reform, factory directors are beset with difficulties and have difficulty progressing in the course of reform.

Leaders of the provincial CPC Committee and provincial government have shown great concern for this and put forward that it is necessary to trust, understand, and support enterprise leaders sufficiently and to unswervingly and penetratingly implement the system of the factory director assuming full responsibility.

Leaders of the provincial CPC Committee and provincial government have emphasized: To implement well the system of factory directions assuming full responsibility, it is essential to work hard to improve the quality of enterprises, particularly the quality of factory directors and managers and the quality of the enterprise leadership groups. The factory directors and managers must constantly improve their political and management quality, work level, and working ability, always be in a good spiritual state, arouse their enthusiasm, persist in reform, be bold in exploration, open up a new path, and advance. They must lead the workers to overcome difficulties. The key enterprises must give play to their exemplary and vanguard role in for aspects, including working hard to fulfill this year's quotas for industrial production, persisting in reform of enterprises, grasping management well to completely improve their quality, and doing ideological and political work well and doing well in grasping the building of spiritual civilization.

During the conference, nine enterprises including the Guiyang Mining Machinery Plant, Guiyang Steel Plant, and state-run Zhonghua Machinery Plant exchanged their experiences in implementing the system of factory directors assuming full responsibility and the economic responsibility system.

Provincial CPC Committee Secretary Hu Jintao attended the conference, listened to the reports, took part in discussion, spoke.

GUIZHOU HOLDS PARTY RECTIFICATION CONFERENCE

HK160730 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 14 Aug 86

[Text] Yesterday evening, the Guizhou Provincial CPC Committee held a telephone conference in Guiyang on village-level party rectification to sum up experiences in village-level party rectification throughout the province and to make arrangements for the village-level party rectification work at the next step.

The conference demanded that party organizations at all levels strengthen leadership, make sustained and redoubled efforts, and do well in completing our province's village-level party rectification tasks, Ding Tingmo, deputy secretary of the provincial CPC Committee, spoke at the telephone conference.

The conference pointed out: To do well in completing our province's village-level party rectification tasks, we must now seriously do the following several aspects of work well:

1. The county, district, and township CPC committees must give all-round guidance to the village-level party rectification work and do well in vigorously grasping village-level party rectification work.
2. It is necessary to strengthen the sense of the political duty of the party member cadres sent to the village party branches to give guidance to the party rectification work. The comrades sent to the rural areas to give guidance to work must take part in all village party branches's party rectification work from start to finish.
3. It is imperative to strengthen investigation and study and to improve the leadership method. When a problem is discovered, it is necessary to solve it promptly.
4. It is necessary to give guidance according to different situations. The county, district, and township CPC committees must constantly analyze the situation of all units carrying out party rectification and give specific guidance according to the different problems to guarantee the quality of party rectification.

SICHUAN'S YANG RUDAI INSPECTS DROUGHT-AFFECTED AREAS

HK190217 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 18 Aug 86

[Excerpts] At a time when drought is continuing to develop in parts of Sichuan, Yang Rudai, secretary of the provincial party committee, has investigated the situation in Jintang, Jianyang, and Renshou Counties. In view of the disastrous situation in some areas and the mental state of some of the cadres and masses, he stressed that the cadres and masses must brace their spirits, strengthen their confidence, take more self-salvation measures, and reduce losses to the minimum. [passage omitted]

When he heard that some of the cadres and masses took too serious a view of the disaster and lacked confidence in self-salvation through production, Comrade Yang Rudai said: This year parts of the province have been hit by high winds, hailstorms, and flooding, while other parts have suffered the most severe drought for many years. However, viewing the province as a whole, the disaster is only a partial affair. A bumper harvest is in sight in the majority of areas. Even places where the disaster is rather serious can reduce its impact so long as they take full advantage of every favorable condition and apply effective and practical measures. [passage omitted]

Yang Rudai pointed out that the following tasks should currently be grasped well: 1) The cadres and masses should take more self-salvation measures by stepping up the final-stage tending of cotton and sweet potatoes. 2) Do a thoroughly good job in water storage and conservation, and maintain properly the water conservancy facilities and farm tools and machines. 3) Do a good job in selecting and retaining fine-strain seed. [passage omitted]

SICHUAN CIRCULAR URGES EFFORTS FOR BALANCED BUDGET

HK160523 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 15 Aug 86

[Text] The provincial people's government recently issued a circular calling for efforts for a balanced budget at all levels this year. The circular demanded that, on the basis of getting a good grasp of production, enlivening circulation, and improving economic results, all localities make vigorous efforts to organize financial revenue, strengthen the management of tax collection, and strictly control investment in fixed assets. It is essential to make efforts to reduce administrative expenditures and strictly control the purchasing power of social groupings. It is necessary to seriously reexamine the revenue and expenditure budget for this year. The growth of financial revenue must not be lower than the local economic growth rate. We must live within our means and achieve a balanced budget.

Taking account of the fact that the revenue level in many counties is rather low while the increase in expenditure this year is rather great, the provincial government has decided to assign some of its revenue to the counties as permanent revenue to be used for balancing revenue and expenditure. The provincial authorities will provide temporary subsidiary assistance for areas where revenue and expenditures are unbalanced. Thus these areas in difficulties will be able to lay down their burdens, invigorate their spirit, display their initiative, devote their main efforts to increasing income and reducing expenditure, and strive to achieve a balance. We should succeed in having no deficit counties in the whole province.

CHONGQING CITY REFORMS ECONOMIC STRUCTURE

HK080651 Chongqing CHONGQING RIBAO in Chinese 12 Jul 86 p 1

[Report by RENMIN RIBAO reporter Huang Wenfu and CHONGQING RIBAO reporter Liu Jixian: "Chongqing City Promotes the Exchange of the Dominant and Secondary Positions Between the Old and New Economic Structures" -- capitalized passages published in boldface]

[Text] In the process of deepening the guiding ideology of reform and exploring ways of reform, Chongqing City, the first major city in the whole country to carry out an overall structural reform, has made some other new breakthroughs. While updating concepts, deepening reform, and doing well the systematic reform of the economic structure itself and the systematic reforms in political, social, and ideological and cultural domains, the whole city is vigorously and steadily promoting the exchange of the dominant and secondary positions between the old and new economic structures. Thus, both the reform and economic construction have taken on a gratifying new look.

At a symposium on the city's structural reform held on 9 July, Liao Bokang, secretary of the city CPC Committee, gave a full exposition of the situation of the reform in our city, the characteristics of this stage of reform, and the intensity and extension of the significance of promoting the exchange of the dominant and secondary positions between the old and new economic structures. As a fundamental guiding ideology, it is now propelling the reform in the whole city to develop in a deepgoing way.

As early as in 1979, when Premier Zhao Ziyang was in charge of the work in Sichuan Province, six units, such as Chongqing Iron and Steel Company, Chongqing Clock and Watch Company, and so on, were the first batch of experimental units to expand the decision-making power of enterprises.

In 1982, this experiment expanded to over 100 enterprises and made some useful explorations for local reforms. In 1983, with the approval of the central authorities, Chongqing City set up the experimental units for an overall economic structural reform. Centering on the invigoration of enterprises, linking up circulation, and aiming to bring into play the role of cities as economic centers, they carried out a series of reforms of varying degree in the aspects of planning, finance, taxation, pricing, banking, commerce, wages, and so on. The reform over the last 3 years has greatly expedited the economic development of the whole city, gradually brought into play the role of the city as an economic center, and remarkably improved the livelihood of the people. Therefore, the whole economy of the city has entered its most vigorous period of development since the founding of the country. As compared with 1982, in 1985 the total social output value had increased by 47 percent, and the national income by 46 percent, all exceeding the levels of increase of the whole country in the same period. Revenue has broken away from the previous long-term state of stagnation at an average annual rate of increase of 13.3 percent. At present, its profit handed over to the state increases at an annual progressive rate of 10.38 percent. The success of Chongqing's reform is not only reflected in the great development of the city's economy but is also demonstrated in that the ossified old economic structural base, which was formed over a long period of time in the past, has been breached in many aspects and the new economic structure is growing in strength in many aspects. The exchange of positions and coexistence of the new and old structures has become the biggest characteristic of this pioneer city's current reform.

In the face of this new situation, the city CPC Committee has made a lot of investigations and studies and serious comprehensive analyses. They maintain that under the condition of the exchange of positions and coexistence of the new and old structures, it is unavoidable to have various contradictions and conflicts. For a certain period of time, the implementation of the director (manager) responsibility system meets with resistance; the renting and contracting of small commercial enterprises are censured, the readjustment of companies suffers setbacks, and so on and so forth. This should be the cause of these problems. Although these problems are unavoidable in the process of reform, their solution should not be delayed for too long, otherwise it will be very unfavorable to both the deepening of reform and economic development. The city CPC Committee also maintains that this coexistence of the old and new structures is not static but a dynamic process of rising here and declining there, and of replacing the old with new. If the new structure does not replace the old to occupy the dominant position as soon as possible, some on-going reforms will face the danger of retrogressing to the old structure. Just like a boat sailing against the current, which must forge ahead or else be driven back, being the first experimental city to carry out an overall structural reform, Chongqing must and should promptly quicken the pace of reform and should reduce as much as possible the period in which the new and old structures coexist and realize as soon as possible the exchange of the dominant and secondary positions between the old and new economic structures, so as to basically put the economy as a whole into the operational orbit of the new structure. The city CPC Committee holds that this is both in keeping with the spirit of the central authorities' decision regarding reform and inevitable for the development of the reform situation in Chongqing.

Precisely proceeding from this guiding ideology, our city's reform targets have become more explicit, the pace of reform is getting faster, and the progress of the exchange of positions between the new and old structures in some main aspects of reform has greatly accelerated.

FIRST, TO FURTHER INVIGORATE ENTERPRISES, IN PARTICULAR THE LARGE AND MEDIUM-SIZED ENTERPRISES UNDER THE SYSTEM OF OWNERSHIP BY THE WHOLE PEOPLE, A LARGE NUMBER OF ENTERPRISES HAVE BEGUN TO CHANGE FROM BEING SUBSIDIARY BODIES OF ADMINISTRATIVE ORGANS TO BEING RELATIVELY INDEPENDENT COMMODITY PRODUCERS AND OPERATORS. In order to expand the decision-making power of enterprises, 52 administrative companies in the whole city have carried out readjustment and consolidation and changed their nature from administrative management to enterprise-like, service economic organizations, thus fundamentally resolving the issue of the power struggle between the administrative companies and enterprises. In order to expedite the reform of the leadership structure, the number of industrial enterprises which are trying the director (manager) responsibility system has expanded from 28 to 392, accounting for 32.3 percent of all the state-owned industrial enterprises in the whole city. Meanwhile, while implementing the democratic election of directors (managers) or the appointment system some enterprises have found and employed some talented people. By carrying out the system of requiring directors (managers) to work out targets at the beginning of their terms of office and the system of evaluating the attainment of their targets, short-sighted behavior by enterprises is prevented. In addition, the implementation of fund accommodation, the law of bankruptcy, and the trial implementation of social insurance have all truly invigorated the enterprises. In the first half of this year, under the condition of insufficient energy resources and frequent natural disasters, industrial production in the whole city still increased at a higher rate than in the corresponding period of last year. In particular, in May and June, the increases reached 12.02 percent and 14.3 percent, the highest figures on record.

SECOND, THE NEW DEVELOPMENT OF LATERAL ECONOMIC COMBINATIONS HAS INITIALLY RESULTED IN A MULTILEVEL ECONOMIC NETWORK FOCUSING ON ENTERPRISE COMBINATIONS AND INTEGRATING THE URBAN WITH THE RURAL AREAS, THE ARMY WITH THE PEOPLE, THE FIRST LINE WITH THE THIRD LINE, AND REGIONS WITH REGIONS. At present, the industrial and communications systems in the whole city have developed 267 integrated bodies of various types and 534 joint projects, involving over 3,000 enterprises. Of these, the combinations in which "priority products" play a leading role have shown splendid vitality. For example, the Chongqing soft drink factory producing "Tianfu Cola" has cooperated with 26 provinces, municipalities, and autonomous regions throughout the country to set up 78 affiliated factories, with its products selling well in all parts of the country and having entered the international market. In addition, a number of enterprise groups have also emerged, producing products like "Jialing motor bikes," "Sanxia electric fans," "Tongyong machines," and so on. After the third session of the "economic coordinating meeting of Sichuan, Yunnan, Guizhou, Guangxi, and Chongqing," the lateral coordination between Chongqing and these provinces has been further strengthened, and the economic combination of Shanghai, Nanjing, Hankou, and Chongqing along the Chang Jiang has initially taken shape.

THIRD, THE SOCIALIST COMMODITY MARKETS IS VIGOROUSLY DEVELOPING AND A UNIFIED SOCIALIST MARKET SYSTEM IS TAKING SHAPE. The Chongqing trade center for industrial products, the first of its kind in the whole country, has already established business relations with over 3,000 industrial and commercial enterprises in over 20 provinces, municipalities, and autonomous regions, with the variety and assortment of goods being increased from 36,000 at the very beginning to over 100,000, and involving over 1 billion yuan. Meanwhile, the markets in means of production, technology, construction, and labor have also gradually formed. The financial market has broken with the unitary vertical fund distribution, developed lateral fund accommodation, and exchanged funds in great volume with the banks in some provinces and cities. It has become the center of the financial network in the southwest region and played an important role in production and circulation in the first half of this year. It has become a reality that "people having a hard time will go to the market rather than the mayor."

FOURTH, THE PATTERN OF GOVERNMENT ECONOMIC MANAGEMENT HAS BEGUN TO CHANGE FROM BEING MAINLY DIRECT MANAGEMENT TO INDIRECT MANAGEMENT. This year, closely centering on the improvement of work styles and the issue that the leading organs and cadres should bring into play the three major roles of example, guidance, and service, the cadres at all levels of the city CPC Committee have gone deep into the realities of life to make investigations and solve problems and earnestly serve the grass-roots units. Departments like the construction management bureau and the engineering bureau have readjusted their management functions and weakened direct management and have already gained some initial experience and remarkable results. In the aspect of planned management, the planned mandatory targets in the industrial production of the whole city have been reduced from 101 to 33, the mandatory purchasing targets for commodities have been reduced from 66 to 28, and the mandatory purchasing targets in foreign trade have been reduced from 149 to 14. At present, the industrial products under mandatory planning account for only 12 percent of the total industrial output value of the whole city. Regulated by economic means, as well as legal means, economic management has also had a good beginning.

The city CPC Committee has become more and more aware of the fact that in order to promote the exchange of dominant and secondary positions between the old and new economic structures, it is necessary not only to carry out the economic reform itself in a coordinated way but also to work in a more coordinated way in the realms of superstructure such as politics, society, ideology, culture, and so on, including how to further bring into play socialist democracy and realize political democracy; how to make the cadre system suit the needs of the economic reform and the economic modernization; how to make the arrangement of the state administrative organs more rational and scientific; how to perfect the system of socialist economic law, as well as the reforms in the fields of journalism, publishing, literature and art, and so on. In the process of these " coordinations," updating ideas and concepts is the precondition and guidance for realizing the above-mentioned synchronous reforms. Therefore, on the basis of summing up the reforms over the last 3 years, the city CPC Committee organized cadres of the whole city to further study the principles and policies of the party Central Committee regarding reform. Beginning from July, it has extensively carried on the study of the theory of socialist planned commodity economy to guide the vast numbers of cadres and the masses in correctly understanding the current reform situation, cultivating the concepts of socialist commodity economy, the market, competition, efficiency, time, information, talented people, and socialist democracy and legal system, and discarding the concepts of small production, regarding enterprises as subsidiary bodies of administrative organs, isolation, departmental ownership, monopoly, and protecting localities for fear of competition, as well as the traditional concept that party committees should undertake everything. The whole city has also set up a number of examples in updating ideas and concepts and deepening the reform. For example, the city industrial and commercial bank, which took the lead in pounding at the old financial structure, the Chongqing general vacuum bottle factory, which persists in "guiding the market," the Lianglukou department store, which has broken with the state of isolation and is now doing business flexibly, the industrial furniture company which justly and forcefully supports the reformers, and so on. The city propagates and spreads their experiences, so as to make the guiding ideology of promoting the exchange of the dominant and secondary positions between the old and new economic structures more popular among the people and constantly deepen the reform to make new breakthroughs.

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PRC REGIONAL AFFAIRS
SOUTHWEST REGION

YUNNAN'S PU CHAOZHU ATTENDS REPORT MEETING

HK151358 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 14 Aug 86

[Excerpts] Yesterday afternoon the propaganda department of the provincial CPC Committee held a report meeting at the provincial coliseum. Over 4,000 people from the Kunming area, provincial-level units, colleges and universities, and the PLA stationed in Kunming listened to a special report by Comrade (Qu Xiao) on ideals and what to pursue.

Party, government, and Army leading comrades attended the report meeting, including Pu Chaozhu, secretary of the provincial CPC Committee; Liu Shusheng, deputy secretary of the provincial CPC Committee; Li Guiying, chairman of the provincial People's Congress Standing Committee; Liang Jia, chairman of the provincial CPPCC Committee; Liu Minghui, member of the Central Advisory Commission now in Kunming; and (Xu Youming), political commissar of a PLA group army.

In his 3-hour report, (Qu Xiao) gave an account of the tortuous road he had taken from being a young student to becoming a glorious Communist Party member. [passage omitted]

(Qu Xiao's) report, which explained the profound in simple terms, was vivid and descriptive, hence winning the applause of the audience.

Zhao Tingguang, Standing Committee member and director of the provincial CPC Committee Propaganda Department, presided over yesterday's report meeting and spoke. [passage omitted]

On behalf of the provincial CPC Committee, Comrade Zhao Tingguang demanded that leading cadres at all levels and the broad masses in the province earnestly study Comrade (Qu Xiao's) report, draw spiritual strength from it, enhance revolutionary vigor, properly carry out reforms, develop industrial and agricultural production well, do all work properly, and make new contributions to the four modernizations in border areas.

YUNNAN PLA UNITS THANKED FOR ANTIDISASTER WORK

HK191303 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 18 Aug 86

[Excerpts] On 16 August, the Yunnan Provincial CPC Committee and provincial people's government sent a letter of thanks expressing heartfelt thanks and extending cordial regards to a certain PLA group army stationed in Yunnan, Yunnan Military District, air force stationed in Yunnan, Yunnan Provincial Armed Police Force Corps, border defense PLA units at the frontline, and all commanders and fighters for vigorously taking part in our province's struggle against floods and in the work of providing disaster relief in our province.

The letter of thanks says: Since the end of July, many places in our province have had torrential rain, which has brought about great suffering. In the face of the severe disaster, you were eager to help the people in need and promptly held urgent meetings to study and make arrangements for the work of fighting floods and providing disaster relief. Leaders at all levels led their men in a charge, went deep into the forefront, and led commanders and fighters to vigorously plunge into the struggle of rushing to deal with emergencies and of providing disaster relief. [passage omitted]

On the one hand, you maintained vigilance and defended the security of our motherland's border areas; on the other, you sent a large number of commanders and fighters and a certain amount of materials, including machinery, equipment, motor vehicles, rubber boats, and medicines, to help the masses of the localities fight drought, provide disaster relief, restore production, and rebuild their home villages or towns. [passage omitted]

You are combat heroes, models in cherishing the people, the most beloved people of the 1980's, and a good example for all people throughout the province.

At present, under the leadership of CPC committees and governments at all levels and with the vigorous assistance of the Army stationed in the localities and of all departments concerned, the masses in the disaster areas have a stable life and are restoring production. Road traffic is gradually returning to normal. We must continue to work hard, heighten our vigilance, strengthen combat readiness, and make new and still greater contributions toward overcoming natural disasters, winning a new victory in the self-defense war, and reaping a bumper harvest of industrial and agricultural production.

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PRC INTERNATIONAL AFFAIRS
NORTH REGION

R 1

BEIJING VILLAGE-LEVEL PARTY RECTIFICATION TO BEGIN

SK190950 Beijing BEIJING RIBAO in Chinese 13 Aug 86 p 1

[Text] Village-level party rectification will be launched comprehensively in mid-October throughout the rural areas in the suburbs of Beijing Municipality. This was decided at the 88th meeting of the Party Rectification Guidance Group under the municipal party committee, which was held on 12 August.

More than 4,000 rural grass-roots party branches and more than 100,000 party members will participate in the village-level party rectification. The Party Rectification Guidance Group of the municipal party committee maintains: In carrying out village-level party rectification throughout the rural areas, the time is pressing and the task heavy. We must proceed from reality, give prominence to major affairs, and pay attention to the following three tasks: 1) We should penetratingly conduct education on the current situation and policies, unify the understanding of reform among the vast number of party members, and enhance their consciousness in upholding reform and correctly executing policies; 2) we should penetratingly conduct education on the party's purpose and guide party members to conscientiously lead the masses to achieve common prosperity and to correct unhealthy trends; and 3) we should penetratingly conduct education on the tasks of the grass-roots party organizations and on the standards for party members, step up the building of leading bodies, and attend to organizational building.

The current rural village-level party rectification will be aimed at leaders of party committees at the county (district) and township levels. These leaders should concentrate their time and efforts on leading the party rectification work well. To give more specific assistance and guidance to village-level party rectification work, the Party Rectification Guidance Group of the municipal party committee has decided to release 6,000 cadres from party and government organs of various cities, counties (districts), and townships, and dispatch them to the rural areas to serve as instructors and liaison personnel after they are trained.

BEIJING ADVISORY COMMISSION MEMBERS ASK TO RESIGN

SK190944 Beijing BEIJING RIBAO in Chinese 10 Aug 86 p 1

[Text] On 4 August the 20 veteran comrades, including Jiao Ruoyu of the Beijing Municipal Advisory Commission, wrote a letter to Li Ximing, secretary of the municipal party committee, seeking to resign from their membership on the municipal Advisory Commission.

The letter states: We, members of the municipal Advisory Commission, have done our part in municipal construction under the leadership of the municipal party committee over the past 3 years. However, we are getting older and older and are unsuitable to continuously occupy the posts of chairman, vice chairmen, standing Committee members, and members of the municipal Advisory Commission. In order to enable the municipal Advisory Commission to better carry out its work, we plan to offer our posts to veteran comrades who have just retreated from their leading posts at the forefront, but are still younger than us, in an effort to enable them to continuously play their role in municipal construction.

The letter states: Following our retirement, we will live happily with the concern of the municipal party committee, successfully spend our remaining years according to the "guiding principles" of inner-party political life, and continuously make contributions to the party, the people, and the great cause of communism.

The letter signed by the 20 veteran comrades, including Jiao Ruoyu, Guo Xianrui, Liu Zuchun, Yin Yukun, Du Ruo, Liu Jingxi, Lin Yuan, Zhang Qingji, Tong Zhen, Chen Erdong, Ye Lin, Wang Jinxuan, Ding Ping, Yang Jun, Zhen Shude, Zhang Xu, Peng Cheng, Zhao Dingxin, Peng Siming, and He Yizhang, asks the municipal party committee for approval of their resignation from the posts of chairman, vice chairmen, Standing Committee members, and members of the municipal Advisory Commission.

BEIJING NAMELISTS OF NEW PARTY COMMISSION MEMBERS

SK200400 Beijing BEIJING RIBAO in Chinese 10 Aug 86 p 1

[Text] Following are the namelists of supplementary and alternate members of the municipal party committee (10 persons):

Supplementary members (in the order of the number of strokes in their surnames): Wang Jun (3769 6511), Sun Zhiqiang (1327 1807 1730), Su Zhongxiang (5685 0122 4382), Lin Ruwei (2651 3067 3634), Lin Yanzhi (2651 3508 1807), Yan Chengzong (7051 2110 1350), and Zang Hongge (5258 3163 7041). Subordinate members (in the order of the number of votes received): Zhang Shulin (1728 2885 2651), Liu Kexin (0491 0344 0207), and Wang Tong (3076 4827).

Following is the namelist of 23 supplementary members of the municipal Advisory Commission (in the order of the number of strokes in their surnames): Wang Ping (3769 1627), Wang Xian, Wang Zhanzhi (3769 0594 1807), Wang Zhenzhong (3769 2182 0022), Li Ping (2621 1627), Li Zhenhai (2621 2182 3189), Li Yuming (2621 3842 6900), Min Buying (7036 2975 3467), Xiao Ying (5135 5391), Xiao Yuanlie (5135 6678 3525), Zhang Huihe (1728 1920 0735), Shan Zhaoxiang (0830 2507 4382), Gao Ke (7559 0344), Gao Yimin (7559 3015 3046), Jia Yiping (6328 0001 1627), Jia Xingwu (6328 2502 0063), Huang Guang (7806 0342), Huang Hun (7806 2495), Liang Zhanxiang (2733 0594 4382), Lu Derun (6424 1795 3387), Huo Changchun (7202 7022 2504), Xue Guanghua (5641 0342 5478), and Wei Ming (7614 2494).

Following is the namelist of six supplementary members of the municipal Discipline Inspection Commission (in the order of the number of strokes in their surnames): Lu Xueyong (4151 1331 0516), Liu Shumin (0491 2885 3046), Sun Changli (1327 1603 4539), Zhang Yanjun (1728 1693 6511), Zhang Qipeng (1728 1142 7720), and Lu Dianxuan (7627 3013 6699).

Following is the namelist of newly elected leading personnel of the municipal Advisory Commission:

Chairman: Wang Xian

Vice Chairmen: Lu Yu (7120 4416) and Liu Jianfu (0491 1017 1133).

Standing Committee members (in the order of the number of strokes in their surnames): Li Zhao (2621 2507), Li Zhenhai (2621 2182 3189), Song Ding (1345 3060), Shan Zhaoxiang (0830 2507 4382), and Xue Guanghua (5641 0342 5478).

HEBEI VILLAGE-LEVEL PARTY RECTIFICATION MEETING

SK120658 Shijiazhuang HEBEI RIBAO in Chinese 31 Jul 86 p 1

[Text] From 25 to 27 July, the provincial party committee held a meeting in Changli County to report the results of the general survey of the village-level party rectification, with the participation of directors of party rectification offices under various prefectural and city party committees.

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PRC REGIONAL AFFAIRS
NORTH REGION

Lu Feng, deputy director of the office under the Central Committee for Guiding Party Rectification, listened to the report and delivered a speech at the meeting. At the conclusion of the meeting, Qu Weizhen, Standing Committee member of the provincial party committee and director of the provincial Party Rectification Office, made a summing-up speech.

Since late June, in line with the unified arrangements of the provincial party committee, various prefectural, city, and county party committees have organized forces to conduct a general survey of party rectification village by village. Through the survey, they have further understood the truth of matters, communicated real situations, and found out where they have lagged behind. At the meeting, various localities reported their situations and experiences in this regard, as well as the arrangements and plans for the work at the next stage.

The meeting pointed out that our province has scored great achievements in the village-level party rectification. However, we should never only catch sight of achievements to the neglect of problems. Although there have only been a few party branches that have conducted party rectification in a superficial way or have failed to solve some of their problems and thus are required to take remedial measures, it should be noted that it remains an arduous and difficult task for us to solve the problems of various villages because the situation of various villages is complicated and most of their problems have been left over from the past. At the same time, we should notice that even those party branches which have conducted their party rectification in a good or a relatively good manner have problems of one kind or another. In particular, it should be noted that due to the insufficient understanding of party rectification and the careless work in this aspect, some leaders in some localities have failed to discover that some villages have developed party rectification in a superficial manner, and have covered up and been reluctant to admit and solve their problems. This is dangerous.

The meeting stressed that party committees at all levels must be sober-minded, overcome the unrealistically optimistic and slack mood, and make unremitting efforts to fulfill all the tasks for the village-level party rectification.

The meeting also reported and studied how to seriously and conscientiously develop the work of organizational measures and the achievements scored in party rectification.

HEBEI DEPUTY SECRETARY ON DISCIPLINE INSPECTION WORK

SK190812 Shijiazhuang HEBEI RIBAO in Chinese 9 Aug 86 p 1

[Excerpts] In his speech to the meeting of the prefectural and city Discipline Inspection Commission secretaries and the prefectural and city Discipline Inspection Commission office heads sponsored by the provincial Discipline Inspection Commission on 8 August, Xie Feng, deputy secretary of the provincial party committee and provincial governor, called on the discipline inspection departments at all levels to deeply understand the exploration course of reform, to make efforts to readjust themselves to and promote this change, and to creatively achieve the discipline inspection work in the new situation.

Comrade Xie Feng said: Under the new situation of opening to the outside world, enlivening the domestic economy, and carrying out reform, the discipline inspection departments at all levels and discipline inspection cadres throughout the province have done much work and scored great achievements in grasping education on party style and party discipline, correcting unhealthy practices, investigating and handling major and appalling cases, and promoting economic restructuring. They have been praised by the central authorities and the provincial party committee for their creative work, and their experiences have been affirmed. [passage omitted]

With regard to the issue of how to gear discipline inspection work to the needs of the new situation and make it serve reform, Comrade Xie Feng pointed out: All professions and trades should advance in the course of exploration, since there are no ready-made patterns of reform that we can follow and we must make explorations in the course of reform. We have experienced the tests of great changes, including changes in ideology, policies and the situation, from the 3d Plenary Session of the 11th CPC Central Committee to the present. Practice shows that the situation is getting better and better through these changes. Changes took place in the past and will take place in the future, too. Thus, the vast number of discipline inspection cadres should deeply understand this exploration course, happily face this change, and make conscientious efforts to promote and readjust themselves to this change. [passage omitted]

With regard to straightening out party style, Comrade Xie Feng said: We are never allowed to shake the work of straightening out party style, since it is a job of the whole party. Party and government departments and enterprises and establishments should link this work with their professional work and pay attention to it. The great orientation of reform will tend to go wrong if we neither persistently grasp both spiritual civilization and material civilization nor persistently straighten out party style. In straightening out unhealthy practices, we should solve all existing problems and make sure not to cover up realities or arbitrarily lodge charges against others.

Comrade Xie Feng concluded: We are now in the period of replacing the old economic system with a new one. We will certainly face changes in the course of exploring correct ways for reform. So we must expend all our energies to grasp this work. He urged all participants to really master the two great skills set forth by Comrade Hu Yaobang -- to upgrade the province's discipline inspection work to a new level and to make new contributions to reform.

JILIN SECRETARY THANKS NEI MONGGOL COMPANY

SK160241 Changchun Jilin Provincial Service in Mandarin 0930 GMT 15 Aug 86

[Text] On behalf of the coal industrial company of northeast China and Nei Monggol, (Ma Fengcun) and (Han Ying), leaders of the company, contributed 600,000 yuan to the disaster-stricken people in Jilin Province at 1400 today to show concern and support to them. After accepting the contributions, Gao Di and Gao Dezhan, leading comrades of the provincial party committee and the provincial government, said: The enterprises under the coal industrial company of northeast China and Nei Monggol have done their best to provide labor and materials for various localities and have made great contributions to supporting the province's anti-flood and rescue work. The people in the disaster-stricken areas will be greatly inspired knowing that the company has donated money to support them, although coal enterprises were also hit by the disasters.

Leading comrades of the company expressed that the company would go all out to support the disaster-stricken people if they need help. Leading comrades of the provincial party committee and the provincial government expressed thanks to them on behalf of the disaster-stricken people.

LIAONING RIBAO DETAILS ECONOMIC CRIME CASE

SK191020 Shenyang LIAONING RIBAO in Chinese 8 Aug 86 p 1, 3

[Text] A concerned provincial organ, and the concerned departments of Shenyang, Dandong and Benxi have investigated and handled a serious economic crime. Wang Jilong and seven other economic criminals of the Shendan General Development and Industrial Corporation were arrested according to law for investigations by judicial departments and Su Yuqin and 13 other discipline-violating personnel were punished according to party and administrative discipline.

The crimes of Wang Jilong and the others were as follows: In early 1985, Wang Jilong and the others went to Shenyang and, in the name of the Changcheng Corporation of Dandong, established the Shendan General Development and Industrial Corporation jointly with a vehicle repair and spare parts plant affiliated with the Mazhuang neighborhood committee and the Tiexi District, Shenyang. Wang Jilong served as general manager, and Liu Cunzhong and six others as managers. The above-mentioned two corporations were merely dummy corporations. Wang Jilong and others used these corporations to indulge in criminal activities, such as embezzlement, swindling and bribery, on a grand scale. Passing themselves off as army cadres and resorting to speculation, they signed false contracts and agreements on the supply of more than 60,000 tons of steel and aluminium ingots, heavy tracks, and scrap steel, involving some 36 million yuan, with eight units from September 1984 to April 1985, and cheated these units out of some 5.21 million yuan in advance payments, of which some 1.03 million yuan owed to four units could not be collected, thus bringing grave economic losses to the state and collective units. They also embezzled and misused more than 151,000 yuan in public funds by making false profit reports to attract money and dividing it among themselves, abusing authority to draw "benefits," and paying back personal debts with public funds. Of the sum, some 84,000 yuan was embezzled and misused by Wang Jilong, some 39,000 yuan by Hu Haiming, 20,000 yuan by Wang Hong, 5,000 yuan by Li Ruisheng, and 1,600 yuan by Zhu Ying.

Wang Jilong and others still publicly engaged in bribery after their crimes were brought to light. In September 1984, bringing more than 9,000 yuan in cash with them, Wang Jilong and others went to Benxi, and were detained by public security organs.
[paragraph continues]

Through Wei Wenhuan, director of the Political Work Section of the Pingshan District Public Security Bureau of Benxi, and Feng Guide, deputy director of the general office of the bureau, Wang and others requested the seized cash, seals, and blank letters of introduction. Later, Wang Jilong and others bribed Wei Wenhuan with a Toshiba color television made in Japan worth 1,863 yuan, and reimbursed him for some 170 yuan in traveling expenses. In December 1984, Wang Jilong, Hu Haiming, and others made false profit reports and drew 60,000 yuan in cash. They used the money to bribe Yu Dongfeng and Jin Guicheng with 5,000 yuan each. In addition, they used false names to give Yu and Jin 2,200 yuan in wages.

The major discipline violation activities of Su Yuqin and others are as follows: The first was to hire "talent" without forethought in order to make money. In December 1984, in order to realize the target of creating an annual profit of 1 million yuan, Su Yuqin, secretary of the party committee of the Mazhuang neighborhood committee of Tiexi District, Shenyang, and Wang Qinghai, vice chairman of the neighborhood committee, discovered Wang Jilong, the "talent." Cheated by Wang Jilong, who said that the 500,000 yuan investment in the Changcheng Corporation had yet to be transferred, Su Yuqin and others forged an investment and trust certificate for a business license, and established the Shendan Corporation, hiring Wang Jilong as the general manager. Most of the managers recruited by Wang were jobless persons and those released from prison. The second was the decision to engage in shipbreaking business without authority, thus causing a huge deficit. After Wang Jilong and others were arrested, and the Changcheng Corporation was sequestered, Su Yuqin held a leading body meeting, and decided to take over the old ship that the Changcheng Corporation had bought with 2.8 million yuan without its permission to engage in the shipbreaking business. They concealed the truth and obtained the permission of the district Industrial and Commercial Bureau. As a result, Su Yuqin and others suffered a loss of some 350,000 yuan, and owed order-placing units the advanced payments. The third was to use the huge amount of money they gained through fraud to buy up goods and resell them at a huge profit. After Wang Jilong was arrested, at the leading body meeting, Su Yuqin decided to use the 500,000 yuan of advance payments they gained through fraud to buy 1,000 tons of shipbreaking boards from the Xinjin County Industrial Supply and Marketing Company, and then he sold the shipbreaking boards to the Keshan County Means of Production Company of Heilongjiang Province, and received 470,000 yuan in advance payment from the company. Now the neighborhood committee still owes the Keshan County company 270,000 yuan in advance payments in the name of the Shendan Corporation, and is unable to repay it. At the same time, Su Yuqin and others also decided to use the name of the Shendan Corporation to establish a joint shipbreaking plant with Dalian's Dongchan Joint Company, and lent the Dongchan Joint Company 200,000 yuan they gained by fraud, which has not been regained so far.

To date, judicial organs of Shenyang and Dandong have handled criminals Wang Jilong, Liu Cunzhong, Hu Haiming, Wang Hong, Li Ruisheng, Zhuying, Yu Dongfeng and Jin Guicheng according to law. Of them, Yu Dongfeng and Jin Guicheng have been expelled from the party, and Yu Dongfeng has also been dismissed from the post of village head, and had his qualification as a deputy to the district People's Congress nullified. Relevant departments and party organizations have also made the following decision concerning Zhang Yuxiang, Su Yuqin and others who violated law and discipline: Zhang Yuxiang, former director of the security section of the Benxi Iron and Steel Company and a retired cadre, was expelled from the party, and his illegal gains were confiscated; Su Yuqin, secretary of the party committee of the Mazhuang neighborhood committee of Tiexi District, Shenyang, was expelled from the party; Wang Qinghai, vice chairman of the Mazhuang neighborhood committee of Tiexi District, Shenyang, was expelled from the party and dismissed from the administrative post of vice chairman; Wei Wenhuan, former deputy director of the Political Work Section of the Pingshan District Public Security Branch Bureau, Benxi, was expelled from the party, had all the money and materials that he had gained through illegal means confiscated, and was transferred from the public security organ; Wang Shuquan, secretary of the party branch of the Mazhuang Street vehicle repair and spare parts plant in Tiexi District, Shenyang, and concurrently director of the plant, was expelled from the party and dismissed from the administrative post of director, and the double wages he had drawn were seized; Qu Shulin, vice chairman of the Mazhuang neighborhood committee of Tiexi District, Shenyang, was placed on probation within the party for 1 year and dismissed from the administrative post of vice chairman of the neighborhood committee; Xu Chunlan, cashier of Jiuliancheng Village of the Jiuliancheng Town of Zhenan District of Dandong City, was placed on probation within the party for 1 year and dismissed from the post of cashier; Feng Guide, deputy director of the General Office of the Pingshan District Public Security Branch Bureau, Benxi, was given a serious disciplinary warning within the party; and Sun Yanxiang, former head of Jiuliancheng Village, Dandong, was given a disciplinary warning within the party.

In addition, relevant departments of Shenyang, Dandong and Benxi also took administrative discipline against Comrades Wang Fengwu, Ji Xueru, Yu Lianzhi, Wang Kunxue, and Zhi Peilin.

BOFT OFFICIAL VIEWS TRADE TALKS WITH U.S.

OW190840 Taipei CHINA POST in English 14 Aug 86 p 12

[Text] Board of Foreign Trade [BOFT] Director General Vincent Siew, chief ROC [Republic of China] negotiator in the recent held ROC-U.S. trade talks in Washington, returned home yesterday. Siew said that the talks have "calmed the tense situation between both countries" and that the ROC's decision to annul its controversial duty-paying tables have defused planned U.S. retaliation.

He added that the ROC managed to retain its GSP status in the U.S., ensuring access to the American market. According to Siew, his side was able to negotiate for U.S. \$1.8 billion worth of trade benefits.

Siew stressed that the ROC's main goal was to negotiate a fair trade agreement and not to build an image of strength.

Another round of trade talks is scheduled for later this month in Taipei, when the issue of U.S. tobacco and wine imports will be taken up.

Siew further noted that although tariff revisions and the issue of U.S. access to the ROC's insurance market were satisfactorily discussed, negotiations on five other major issues including the ROC's self-imposed limits on machine tool and steel exports to the U.S., its export ratio requirement for cars, U.S. requests for entry into the ROC's land transport industry, and an ROC-U.S. grain trade agreement have yet to be finalized.

Director General Siew explained that since the U.S. has negotiated separate textile agreements with the ROC, South Korea and Hong Kong, the ROC is not in a position to ask for reopening of ROC-U.S. textile talks at present. The textile accord signed last July, allowed for growth of only 0.5 percent annually in ROC textile exports to the U.S.

U.S. PROTECTIONISM MAY IMPERIL NEW GRAIN ACCORD

OW190635 Taipei CNA in English 0257 GMT 19 Aug 86

[Text] Taipei, Aug. 18 (CNA) -- Vincent C. Siew, director general of the Board of Foreign Trade [BOFT], said Monday that the Republic of China [ROC] is expected to sign a new grain accord with the United States in September to buy at least 18 million metric tons of grains from the U.S. in the next five years.

Siew made the remark while receiving William Grittin, president of the U.S. Feed and Grain Association, at his office in Taipei Monday. Grittin told Siew that he hopes the two countries will sign the new agreement as soon as possible because the current Sino-American grain agreement expired in June this year.

Siew promised that he will urge the domestic importers to sign the new agreement in September this year, but added that he hopes American grain growers will stop their support of U.S. trade protective measures calling for restrictions on foreign imports. He said it will be difficult for BOFT to ask domestic importers to purchase grain from the U.S. if American grain growers continue to support trade protectionism.

The new agreement, if signed, will be retroactive to July 1. Under the new agreement, the ROC is expected to buy 18.75 million metric tons of grain from the U.S., including 10 million metric tons of maize, one million metric tons of barley, 2.75 million metric tons of wheat, and five million metric tons of soy beans.

Meantime, Lin Kun-chung, president of the ROC Joint Committee for Maize Imports, said that his committee will not sign the new agreement until American maize growers openly support the principle of free trade. Lin expressed dissatisfaction with a resolution passed by American maize growers calling for trade protectionism saying that such an attitude makes it very difficult for his committee to continue to do business with them.

Lin threatened that his committee will not take part in the Buy-American mission scheduled to leave for the U.S. by the end of August until American maize growers expressed their attitude.

CHINA POST EDITORIAL HAILS U.S. ARMS SALES

OW190820 Taipei CHINA POST in English 13 Aug 86 p 4

[Editorial: "U.S. Renews Arms Sales to ROC"]

[Text] The U.S. Defense Department's latest notification to U.S. Congress Friday of its intention to sell equipment to upgrade the ROC's [Republic of China's] S-2 submarine-hunting airplanes represents a renewal of U.S. arms sales program to the Republic of China.

The move is in line with the requirements of the Taiwan Relations Act of 1979 requiring the United States to "make available to Taiwan such defense articles and defense services in such a quantity as may be necessary to enable Taiwan to maintain a self-defense capability."

If there is no objection by the Congress, the ROC government will be allowed to contract for improvements in two of its S-2 aircraft, and then obtain special avionics equipment and engineering kits to upgrade another 30 of its aging planes.

The total transaction is worth U.S. \$260 million, according to a Pentagon statement, and the Grumman Aerospace Corp. will serve as prime contractor. The U.S. Navy will oversee such transactions. Although no U.S. military personnel will be sent to Taiwan, 30 Grumman representatives will be in Taiwan for three years.

The above arms sales will increase the ROC's capabilities in countering Chinese Communist or other Communist submarine threats in this region. It is a positive move which is urgently needed to boost the morale of the people of the Republic of China after the recent offer from the United States to Peking for sales of U.S. \$550 million of avionics and equipment to that despotic regime, which could pose a serious threat to the freedom and security of the Asian-Pacific region and especially to the Republic of China. Although the total value of U.S. \$260 [as published] is less than half that of the U.S. arms sales to Peking, it is nevertheless a good beginning. More arms sales should be authorized before long to stabilize the situation in the Taiwan Strait as the Chinese Communists have repeated their determination to settle the Taiwan issue by force.

In doing so, Peking has violated the August 17, 1982 Joint Communiqué which was based on Peking's avowed peaceful intentions in settling the Taiwan issue. Its violation has rendered that joint communiqué void, not to mention the fact that it is in violation of the Taiwan Relations Act.

Peking's protest through the HSINHUA NEWS AGENCY Saturday describing the arms sales offered to the ROC as "an act of defiance" by Washington of the Chinese Communists' consistent stand against U.S. sales of weapons to Taiwan should therefore be rejected by the United States. Peking has no right to interfere with the United States in implementing the Taiwan Relations Act, which is the law of the land.

Moreover, as a result of a recent overture from Mikhail Gorbachev to Peking for improvement of Peking-Moscow relations, the United States should stop playing the Red China card against the Soviets as such a strategy has failed to separate them but has actually brought them together. According to a revelation by highly placed Soviet KGB defector Anatoliy Golitsyn, the much publicized Peking-Moscow split is nothing more than a "strategic deception". His views were revealed by a noted scholar, Dr. Anthony Kubek, in his recent letter to the editor in THE NEW AMERICAN magazine in which he urged American political leaders to discard the notion of playing the so-called "China card" against the Soviet Union. Dr. Kubek said that "no concessions by the U.S. can make the Chinese Communists renounce their intention to use force against Taiwan."

The Gorbachev overture to Peking should serve as to signal the utter failure of the Red China card policy to restrain the Soviets. That policy should be abandoned without delay. The only feasible policy for the United States to adopt is to strengthen its allies and friends in the Asian-Pacific region such as is represented by the recent offer of arms sales to the Republic of China. It should cease flirting with its enemies, which is like playing with fire.

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